Austria Sch22	Indonesia ... Rp3100	Portugal Esc100
Bahrain Din0.650	Israel NS3.50	S.Arabia Rls6.00
Belgium BFr48	Italy L1600	Singapore .... S$4.10
Canada ...... C$1.00	Japan Y600	Spain Pta125
Cyprus ...... C£0.75	Jordan Fils.500	Sri Lanka Rup30
Denmark DKr9.00	Kuwait Fils.500	Sweden SKr8.00
Egypt .... E£2.25	Lebanon ... SL125.00	Switzerland. SFr2.20
Finland Fmk7.00	Luxembourg .. LFr48	Taiwan .... NT$65
France FFr6.50	Malaysia Rm4.25	Thailand Bht50
Germany DM2.20	Mexico Pes300	Tunisia Din0.800
Greece Dr100	Morocco Dh6.00	Turkey L500
Hong Kong .... HK$12	Netherlands... Fl3.00	UAE Dh6.50
India Rup15	Norway Nkr8.00	USA $1.00

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 30,345 — Thursday September 24 1987 — D 8523 A

UN puts on rare show of unity as Iran provokes all, Page14

World News

Biden quits Democratic presidential campaign

US Senator Joseph Biden withdrew from the race for the 1988 Democratic presidential nominations, saying the "exaggerated shadow" of his mistakes had begun to "obscure the essence of my candidacy."

His announcement followed damaging disclosures that he committed plagiarism and exaggerated his academic accomplishments. He said he would remain "deeply involved" in the effort to defeat President Ronald Reagan's nomination of Robert H. Bork to the Supreme Court.

Soviet harvest plea

The Communist Party daily Pravda urged an all-out effort to save the Soviet Union's harvest of grain and crops hit by unusually heavy rain this autumn. Thousands of city-dwellers throughout the country were sent into the fields to help. Page 22

Yugoslav plots

Ethnic Albanian nationalists had plotted uprisings in Yugoslavia's armed forces for six years, Defence Minister Branko Mamula said. Some 216 illegal groups involving 1,435 ethnic Albanian soldiers had been uncovered.

Bank liquidated

Yugoslavia said it was liquidating the insolvent Bihac Bank in Bosnia-Herzegovina which underwrote false promissory notes worth millions of dollars and led Vice-President Hamdija Pozderac to resign.

Hainan tax haven

Hainan Island in south China, designated a province earlier this month, was to become a special economic zone with no taxes for foreign trade and a high level of autonomy, the China Daily said. Page 4

Amazon protection call

International environmental group Friends of the Earth called for an emergency programme by the EC, World Bank and Brazilian Government to safeguard Amazon Indians and forests it said were threatened by Brazil's $62bn Caracas development scheme.

Golden Temple raided

Police and paramilitary forces raided the Golden Temple complex in Amritsar, Punjab, and detained about 20 suspected Sikh extremists. Page 4

Fossil fuels warning

Third World countries would be hard hit if developed nations scrapped nuclear power and set off a scramble for fossil fuels, a West German Research and Technology Ministry official said.

Gadaffi shuns talks

Five African presidents met in Zambia to try to end the border war between Libya and Chad but Libyan leader Muammar Gadaffi stayed away. Page 4

Tamil protester shot

Indian peace-keeping soldiers fired at Tamil demonstrators in northern Sri Lanka, killing one man.

Belgian flights strike

Belgian air traffic controllers staged their third two-hour stoppage in 24 hours and threatened further walkouts in protest against working conditions which, they said, caused a near-miss between two airliners approaching Brussels airport.

Swapo bombs church

Swapo guerrillas blew up a Roman Catholic church in Namibia near the Angolan border, a Windhoek military spokesman said. Security forces defused a landmine near the church during follow-up operations.

London not calling

Some 38 per cent of London's pay-telephones were out of order, an official survey said. Vandalism, technical faults and full coin boxes were blamed. News analysis, Page 8

Business Summary

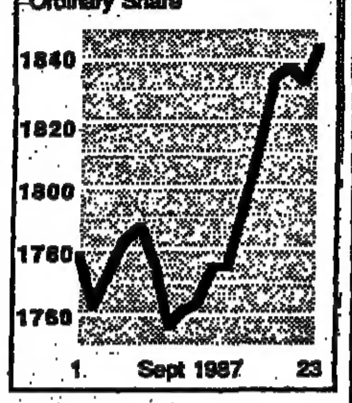
Alan Bond clinches deal for US brewer

ALAN BOND, Australian brewing and property financier, became the first foreigner to be granted entry to large-scale US brewing making with the acceptance by G Heileman, America's fourth biggest brewer, of his $1.26bn takeover bid. Page 15

LONDON: Strong demand for technology and energy issues helped equities to their 10th successive rising session. The

FT Index

Ordinary Share



FT-SE 100 index closed up 16.2 at 2,352.4 and the FT Ordinary index climbed 11.4 to close at 1,843.2. Government bonds eased. Details, Page 36

WALL STREET: By 2pm the Dow Jones industrial average was up 16.32 at 2,584.37. Page 34

TOKYO was closed for a national holiday.

GOLD rose $1 in London to $462.25. In Zurich it rose to $462.25 from $461.75. Page 22

DOLLAR rose in London to DM1.8210 (DM1.8205); SFr1.5120 (SFr1.5075); FFr6.0750 (FFr6.0650), but fell to Y143.85 (Y144.15). On Bank of England figures the dollar's index rose to 101.2 from 101.1. Page 23

STERLING rose in London to $1.6430 ($1.6420); DM2.9925 (DM2.9900); SFr2.4850 (SFr2.4750); FFr 9.9800 (FFr9.9575), but fell to Y236.50 (Y236.75). The pound's exchange rate index was unchanged at 73.1. Page 23

CONSOLIDATED Gold Fields, UK mining finance house, was restrained from buying further stock in Newmont Mining to thwart hostile takeover bid by T Boone Pickens, the Texas oil man. Page 15

SANTA FE Southern Pacific, US rail and resources group undergoing a major restructuring, plans to buy back up to 60m of its 157m common shares, for $3.4bn. Page 15

LTV, diversified steel group struggling to emerge from bankruptcy proceedings, has suffered a setback with the announcement that it must shoulder more than $2bn in unfunded pension liabilities. Page 15

ELF-AQUITAINE, French state-controlled oil group, reported 35 per cent decline in net consolidated first half earnings to FFr2.2bn. Page 17

ALUSUISSE, Swiss aluminium group, was granted an appeal court judgment clearing the way for its capital to be halved. Page 17

GOTABANKEN, fourth largest publicly quoted bank in Sweden, increased group operating profits by 7 per cent in the first eight months. Page 17

BAYERISCHE Hypotheken-und Wechselbank, large West German bank, is to raise DM437m ($240m) by the end of October via a one-for-10 rights issue. Page 17

HOOVER, the household appliances group which since 1985 has been owned by Chicago Pacific of the US, is actively seeking a licensing deal which would enable it to produce dishwashers in the UK. Page 15

NESTLE, Swiss foods multinational, is interested in acquiring some of the operating companies of the former Beatrice group, taken private in a $6.4bn leveraged buyout last year. Page 17

UK to shut Iran's arms-buying office and order out staff

BY ANDREW GOWERS IN NEW YORK

BRITAIN WILL close Iran's military procurement operation in London and require staff to leave by October 8 in a move which may impair Iran's worldwide arms buying network.

Announcing the move yesterday to the United Nations General Assembly, Sir Geoffrey Howe, the British Foreign Secretary, said the Iranian attack on a British merchant ship in the northern Gulf on Monday had been "the last straw". He called on the UN Security Council to draft immediately an international ban on weapons sales to Tehran in view of the country's failure to comply with calls for a ceasefire in its war with Iraq.

President Sayed Ali Khamenei of Iran, asked at a New York press conference about the British decision said bluntly: "This is not at all of substantial importance."

However, the three Iranian London agencies - one for each branch of the armed forces - are believed to have occupied a central position in Iran's worldwide procurement network. Employing a total of 40 to 50 Iranians in a building in London's Victoria Street, they had a wide-ranging mandate to purchase arms from Europe and even North and South America. They were barred under British rules from obtaining arms from UK territory, though there is considerable evidence that these rules have been frequently flouted.

Iran has had to rely extensively on such operations to do its arms buying - often through middlemen - since many official sources have been closed to it as a result of US efforts to cut off supplies. Senior Iranian officials have indicated that if their London operations were closed, they would simply transfer to other European cities. But this would cause considerable inconvenience at best, and may be difficult in the event of steps towards a mandatory UN ban on weapons sales to Tehran.

Staff at the agencies - who do not have diplomatic status - are expected to have their British residence and work permits withdrawn, though it is not clear how long this will take, and British officials acknowledged that it may prove difficult to weed out the employees working specifically in the arms buying operations. Iran and Britain have only one diplomat in each other's capitals following a diplomatic row earlier this year.

At the UN, meanwhile, pressure is mounting for the drafting of a global arms embargo against Iran following a hardline speech by President Khamenei on Tuesday. Intensive consultations are underway between foreign ministers from countries represented on the 15-member Security Council, and especially its five permanent members - the US, Britain, France, the Soviet Union and China.

The diplomatic activity will culminate tomorrow in a lunch meeting between the five permanent members and Mr Javier Perez de Cuellar, the UN Secretary-General. The ministers are expected to reach a common assessment of Iran's position as a prelude to moving towards a possible arms ban. With the US and Britain now pushing hard for an embargo - and France implying yesterday that it agrees - much attention is focusing on the Soviet and Chinese positions.

Moscow has indicated recently that it would be prepared to go along with an arms embargo at an appropriate stage, while the view in Peking - branded as a major arms supplier to Iran - is thought also to be evolving in that direction. However, Mr Wu Xueqian, the Chinese Foreign

The smile on Iraq's face, Page 4; editorial comment, Page 12.

Continued on Page 14

Warships to face Suez surcharge

Egypt will impose a 30 per cent Suez Canal surchage on the warships which are moving almost daily from the Mediterranean to the Gulf, Canal Authority officials told Reuter in Port Said yesterday. While they confirmed the plan they were unable to say when it would be effective. Italian minesweepers passing through the canal yesterday were not asked to pay, the officials said.

Brussels unveils plans to cut agricultural subsidies

BY TIM DICKSON IN BRUSSELS

A CONTROVERSIAL European Commission package of reforms designed to check runaway agricultural spending was unveiled in Brussels yesterday.

If implemented, the proposals will give the commission sweeping powers to cut subsidies and price supports for a wide range of farm products the moment budgetary targets are exceeded.

The plans include a continuation of the EC's milk quota regime beyond the end of the current five year period which expires in 1989, tough new production limits for European cereals farmers and changes to the support system for sheepmeat producers.

Strong opposition to many of the ideas from farm lobby groups and individual member states is likely when the proposals are formally discussed next month by EC agriculture ministers. But the significance of yesterday's announcement goes well beyond that of a fresh attempt to control an EC farm budget which has ballooned from Ecu18.4bn ($21bn) in 1984 to an estimated Ecu27.3bn for 1987 (at least Ecu4bn more than had been bargained for.)

Effective controls on farm spending, for example, are an essential element in the Commission's bid to persuade member states to agree a substantial increase in the Community's own financial resources - a process which Mr Jacques Delors, the Commission President hopes to complete by December - while moves in Europe to reduce or eliminate farm subsidies could well influence the outcome of the wider negotiations on this issue planned for the new Gatt round of trade talks.

The combination of production controls and automatic price cuts put forward in Brussels yesterday is also bound to open a fresh debate within the EC about the best means of reforming the structure of European agriculture.

The key to the new reform initiative lies in the concept of "budget stabilisers" for many of the products receiving guaranteed Community support. These would be tailored to the characteristics of each regime but the common feature would be to make sure that spending was kept within a given target over the period of a single marketing year.

VW shares fall as plan to sell Federal stake proposed again

BY ANDREW FISHER IN FRANKFURT

SHARES in Volkswagen, the West German motor group, went sharply into reverse yesterday after the Government said the planned sale of its minority stake could take place this year, instead of being postponed until 1988.

In Frankfurt, VW's shares lost DM14 on the news but later picked up to close at DM385.50, down DM9.50 on the day. At this price, the sale of the Federal stake of 16 per cent in VW (20 per cent of the voting rights) would yield just over DM1.8bn ($990m).

The Government had deferred its original plan to sell its stake in VW until 1988 because of VW's currency scandal. Mr Gerhard Stoltenberg, the Finance Minister, said in Bonn that VW's financial situation had now stabilised so that a quicker sale of the Federal Government stake in the Wolfsburg-based company could now be considered.

But he added that a final decision would not be taken until he returned from the forthcoming annual meeting of the International Monetary Fund. He made clear that the proceeds of the VW sale would enable the Government to keep this year's budget deficit from rising to DM29bn, as forecast a few days ago.

Analysts and traders reacted with surprise to the possibility of an earlier sale. But they noted that VW was currently doing well in its main European market and seemed to have put last year's currency fraud losses of DM473m behind it. "Certainly, not many people expected it to happen this year," said Mr Angus McNeillage, head of European equities trading at James Capel, the UK stockbroking firm. "It's a fair chunk to come on the market."

Like other German motor concerns, VW has benefited from buoyant home sales this year. Exports within Europe have also been strong, though VW is still struggling in South America and the weak US market.

In an attempt to keep costs down, VW has stopped hiring new workers. It intends to shed between 5,000 and 6,000 of its 132,000-strong labour force over the next year through early retirements and non-replacement of workers who leave.

"The fundamental data on the company is good," commented Mr Adrian Brundrett, an analyst at Citibank AG in Frankfurt. "That is the reason why Stoltenberg is thinking of making the sale earlier." VW's first-half net profits rose by 7 per cent to DM304m.

The disposal of the Government's stake would still leave part of VW in state hands as the regional state of Lower Saxony intends to keep its 16 per cent shareholding.

VW's trade unions remain opposed to the sale of the Federal holding. Mr Walter Hiller, head of VW's works council, said yesterday the Government should keep its 4.8m shares and, failing that, should at least consider changing them into employee shares before selling to the public.

Nicaragua lifts ban on Catholic radio station

By Lionel Barber in Washington

THE SANDINISTA Government yesterday announced an end to censorship in Nicaragua and lifted a ban on the country's Roman Catholic radio station to make changes in line with a regional peace plan signed last month.

The moves follow President Daniel Ortega's announcement on Tuesday that a unilateral ceasefire in parts of the country would shortly come into effect and the lifting of a ban on the opposition newspaper La Prensa last weekend.

Mr Ortega, by timing his actions to coincide with the visit to Washington of President Oscar Arias of Costa Rica, architect of the regional peace plan, appears temporarily to have seized the political initiative in Central America from the Reagan Administration.

He said that the army would soon halt offensives against US-backed rebels in some areas and described the move as 'a first step aimed at achieving a total ceasefire.'

The partial ceasefire would be declared in the next few days, he said, adding that the army would then be concentrated in defined zones where military operations are suspended.

He said a four man peace commission, which includes Catholic Church Primate Cardinal Miguel Obando y Bravo, would join regional peace commissions in discussing a prolonged ceasefire and amnesty with Contras in areas where the fighting has stopped.

The Cardinal's participation marks a change in Nicaragua's political climate. The government has frequently accused him of co-operating with the Contras. It is also the first step by the government to open contact, through an intermediary, with Contra leaders in the field.

The Reagan Administration reacted sceptically to the moves yesterday, noting that they made no provision for Washington's central demand: that a ceasefire should be directly negotiated between the Sandinista Government and the US-backed Contra rebels.

Diplomats in Washington said Mr Ortega's moves were "cleverly timed" because they undermined the Reagan Administration's argument for the renewal of a large package of Contra aid from Congress.

But diplomats noted that a unilateral and partial ceasefire would allow Managua to determine which parts of the country were affected, "even where there is no fighting."

Continued on Page 14

US supports expansion at World Bank

BY STEWART FLEMING IN WASHINGTON

THE US is now prepared to support a major increase in the capital of the World Bank, Mr James Baker, the US Treasury Secretary, said yesterday.

The move seems designed in part to inject new momentum into his flagging international debt strategy and has come on the eve of the annual meetings in Washington of the Bank and the International Monetary Fund.

An increase in the capital of the Bank, an international lending agency, would enable it to provide more funds to developing countries.

Mr Baker, speaking at a Washington press conference, refused to say how big an increase in the Bank's resources the US favoured, or detail the precise timing envisaged. But he said that if negotiations proceeded as quickly as those leading up to the last general increase in the Bank's capital in 1981, the first money could be paid in by September 1 next year.

Mr Barber Conable, the World Bank President, has suggested a $40bn to $80bn increase in capital is needed. Asked to comment on this Mr Baker said: "I imagine the discussion will centre on that initial recommendation."

He conceded however that the Administration faced an uphill task in persuading Congress, which has sharply cut the US's foreign aid budget this year, to provide the money for the US contribution, even though, as he pointed out, the last increase had cost the US only around $100m in paid-in capital.

An option under consideration is for the 151 countries which own the Bank to increase its capital without actually paying in more capital immediately.

One World Bank official suggested yesterday that as far as Congressional approval was concerned the key would be whether Mr Baker was prepared to make the capital increase an Administration priority next year when the US will be distracted by the Presidential and Congressional elections.

Mr Baker, explaining the US decision to drop its opposition to early moves to increase the Bank's capital, said the change was because of evidence the Bank had successfully begun to play the broader role in the Third World debt crisis which he called for when he launched the so called Baker Plan at the annual meeting of the Bank and the International Monetary Fund in Seoul, South Korea, in October 1985.

World Bank President Barber Conable: seeking a $40bn to $80bn capital increase

Since then, he said, the Bank had increased disbursements to major Third World debtors by over 40 per cent, or about $8bn, and had "been doing an excellent job promoting the types of investments and economic policy reforms that we think are essential to achieve sustained economic growth in the developing world."

But it is also clear that financial pressures on the Bank itself have forced the US to abandon what some have seen as its delaying tactics on the issue. Indeed in Seoul in 1985 Dr Ono Ruding, the Dutch Finance Minister, was publicly critical of the US decision not to approve moves for an immediate Bank capital increase.

At the Venice Summit in June the communique said that a capital increase was needed to "maintain the financial stability of the institution."

The problem the Bank is facing is that, partly because of the decline in the value of the dollar, its capital base has been eroding and so therefore has its ability to make new loans. Last year the World Bank's lending totalled $14.2bn and officials currently estimate that without a capital increase it cannot sustain a continued increase in its lending of more than $13bn-$14bn a year.

This is considerably less than the level envisaged by the "Baker plan" and less than the $17bn - $20bn which the Bank itself believes it needs to be lending by the end of the decade in order to play the role envisaged for it in the international debt strategy.

With the US now committed to a capital increase the Bank can temporarily boost its lending in anticiaption of the new capital

CONTENTS

YUGOSLAV TABOO THAT IS NO LONGER SACRED

Premier Branko Mikulic, who has lamented federal weakness in controlling economy, Page 2

Political clash puts Italy's telecoms strategy at risk

THE Christian Democrat who chairs the Italian Parliament's budget committee, Mr Paolo *Cirino Pomicino, did not* mince his words "We now have a war between the Socialist Party and Fiat."

Mr Pomicino, a key figure in dealings between the Government and the Turin carmaker, was commenting with rather Italian hyperbole yesterday on a serious battle that has broken out over the naming of Mrs Marisa Bellisario, managing director of the state-owned Italtel telecommunications equipment manufacturer, as managing director of Telit, the company *which is being formed* by the merger of Italtel and *Fiat's Telettra telecommunica*tions subsidiary. Unless re*solved* quickly, the dispute could lead to the collapse of Telit, which would be a blow to Italy's telecommunications strategy.

Telecommunications may seem an unlikely battle ground, but in the world of Italian politics the Telit matter is perceived as a symptom of mounting tension between the party of former Prime Minister Bettino Craxi and the business empire led by Fiat chairman Gianni Agnelli.

What Telit is *supposed* to represent is an *intelligent* rationalisation of the industry, designed to enable Italy to compete in the difficult European and global markets. The deal, which has been under negotiation for more than a year, was to have been finalised this week with the naming of top executives. Telit brings together the state-owned Italtel ($992m of turnover) and Fiat's Telettra ($424m), with the *IRI-STET* state holding group and Fiat *each owning 48 per cent of the* shares and the remaining 4 per *cent owned by Mediobanca, the* Milan merchant bank.

The conflict over Telit has escalated rapidly, however, in *the past 48 hours. Last Friday* IRI put out a cryptic statement which, without mentioning Mrs Bellisario by name, made clear that she was to be named managing director of Telit. This was done after informing Fiat privately that Mrs Bellisario was in line with an agreement that Fiat would choose the Telit president and IRI the managing director.

On Tuesday evening Fiat responded with an unusually tough communique in which it threatened to pull out of the Telit venture because of the naming of Mrs Bellisario. Fiat said the Telit accord called for a "common" agreement on *executives and that while* "we don't object to the person, we *cannot accept that nominations* of Telit's management are made unilaterally."

Mr Rino Formica, the Socialist Employment Minister known for his brusque remarks, replied that "Fiat would be well advised not to pose too many vetos or it might find one day that someone will pose a pretty veto against it."

A Fiat spokesman, however, yesterday denied that a veto had been imposed by Fiat and said there was no larger conflict between politicians and the Turin company.

The conflict points up the difficulty in Italy of trying to achieve industrial rationalisations between the state and private sectors—deals that may be good for the country but which can run into political problems in *Rome. The need to* pool Italtel and Telettra is obvious to *most* businessmen, and even if the deal comes off *it will still give* the Italian telecommunications industry a company with $1.4bn of turnover, which is smal beer compared to the giants of the world market. For this reason there is already talk of Telit seeking to form a transnational venture, possibly with Sweden's Ericcson, West Germany's Siemens, *or with a UK concern such* as GEC or Plessey.

If Professor Romano Prodi, the IRI chairman, is not able to finalise Telit with Fiat, then it would not only speak volumes about the damage that parochial battles can do to Italian industry, but it would also create a pesimistic outlook for other state-private rationalisation deals such as the equally difficult discussions between Montedison and the state-owned Enichem in the chemicals sector. The failure of TELIT would also be another example of a major Prodi deal which has foundered because of politico-corporate obstacles—one *only* needs to think back two years ago to the proposed sale by IRI of the SME foods group to Mr Carlo De Benedetti, which was blocked by Mr Craxi.

At the heart of the Telit matter, according to many Italian observers, is the fact that Mrs Bellisario is backed by the Socialist Party, and the Socialists are said to be acting against Fiat in several areas.

These other conflicts, be they real or imagined, can be summarised as *follows*: Mr Craxi, along with other parties, is determined to introduce *anti*-trust legislation in Italy which would *force Fiat* to divest several holdings which the Socialists *consider* to be monopoly positions. The most blatant is newspaper ownership, where Parliament's media watchdog last week declared Fiat's control of La Stampa in Turin and Corriere della Sera in Milan to violate the law on the concentration *of* press power. Fiat, said the parliamentary ombudsmen, controls 24.9 per cent of the daily paper *market* and *the low only allows* up to 20 per cent.

Meanwhile, Mr Cesare Romiti, Fiat managing director and *chairman of* Gemina the investment company indirectly controlled by Fiat, announced this week plans to acquire an option on a key share stake in Telemontecarlo, a private television station. Mr Enrico Manca, the Socialist president of the RAI state television network, has fired salvos in Fiat's direction over this matter, accusing Turin of having "too much power."

There is also the temporary 120-day emergency tax package introduced last month to dampen Italy's runaway consumer demand, which includes a stinging four percentage point increase in VAT rates on small- and medium-sized cars, bump*ing the rate up from* 18 to 22 per cent. This has been interpreted in Italy as a move against Fiat. Mr Agnelli's *comment* last week was *that* "one would not have required *much imagination to* predict these measures. Certainly they *do not* favour industry."

Rows between private and *state* industry in Italy are nothing new, but there is now a genuine danger that Telit could collapse and that if this were to happen the conflict between Turin and Rome politicians could worsen. This may all be part of what in Italy is known as the *gioco* game, but it cannot be good for the Italian economy.

An important area of Italy's telecommunications plans has become the unlikely battle ground in the growing conflict between the Socialist party and Fiat, writes Alan Friedman in Milan

Showdown for French TV's 'bete noire'

By Paul Betts in Paris

THE GREAT French television soap opera has reached new heights of melodramatic exaggeration with the dismissal of the country's most contro*versial* and anarchic political presenter.

For the past six years, Mr Michel Polac has ruled the air on Saturday *nights* with his irreverent knock-about political chat *show* Droit de Reponse or Right to Reply.

But Mr Polac, one of the biggest betes noires of the country's right-wing *establishment*, finally went too far this week by excessively *provoking* Mr Francis Bouygues, the new proprietor of the privatised TF-1 network.

Mr Bouygues is said to have ben outraged when Mr Polac showed a cartoon of the French cement king, who is now also *chairman of the country's* largest and oldest television channel, saying that *TF-1* was a "tele de merde."

The drawing was displayed during a particularly heated debate last Saturday on the controversial subject of the bridge which Mr Bouygues' construction company is building to link the Ile de Re with the *mainland* on the Atlantic coast.

It seems to have been the last straw for the bulky French construction baron who had already been outraged by Mr Polac's innuendoes against the Commission Nationale des Communications et Libertes (CNCL), the new broadcasting authority set up by the French right-wing government.

In an acid statement, the TF-1 management said it was unacceptable for Mr Polac to insult and criticise the group which pays him FFr 160,000 (about £10,000) a month.

The sacking of Mr Polac has inevitably provoked another political furore barely a few days after President Mitterrand criticised the broadcasting commission. The Polac affair has dominated all the headlines during the past 24 hours and caused an avalanche of reaction from all the leading politicians and press pundits.

It has also raised the old question of freedom of the *press* in *France, liberty* of expression in general, and of *political manipulation* of the media.

Even though Mr Polac also had a good number of critics on the left who felt his style was often excessive and tasteless, the sacked TF-1 political presenter is rapidly turning into a political martyr although he seemed to have done everything to force a showdown.

Many of his opponents on the right did not disguise yesterday their satisfaction at his sacking. However, his dismissal also risks proving politically embarrassing for Mr Jacques Chirac, the conservative Prime Minister, with the opposition taking advantage of the affair to launch another attack against the Government's broadcasting policies.

This is now bound to become one of the key issues in the campaign for next spring's presidential elections.

At the *same* time, it highlights the current state of *turmoil of French* television following the privatisation of *TF-1 and the emergence of new* private networks all competing *for the same viewers and* a relatively advertising revenue.

NITZE SAYS EUROPE WILL BE MUCH SAFER PLACE

US tries to calm arms deal fears

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT

MR PAUL NITZE, President Ronald Reagan's chief arms control adviser, said yesterday that Western Europe would be a much safer place militarily *after* an agreement *to eliminate* medium-range missiles than *before*.

Replying to questions put to *him* by European *journalists* during a Worldnet satellite *news conference*, Mr Nitze went out of his way to allay some of *the fears expressed by the US's* Nato allies about Western Europe's security *following* the proposed intermediate-range nuclear *forces* (INF) agreement.

He reminded *his* audience that the Soviet Union's superiority in this class of weapon posed one of the main threats to Western Europe and that this would disappear with the destruction of some 1,500 SS-20 warheads.

Nor would an INF agreement in any way reduce Washington's commitment to the defence of Western Europe which was based on many factors other than medium-range nuclear weapons.

However, Mr Nitze made it clear that the conclusion of an INF agreement was by no means a foregone conclusion, in spite of all the optimistic noises which had come out of Washington after last week's discussions between Mr George Shultz, the US Secretary of State, and Mr Eduard Shevardnadze, his Soviet opposite number. Only the broad principles of a verification system har been agreed and the detailed annexe to a treaty on this subject still had to be worked out at the Geneva arms negotiations. Nor had the two sides yet agreed on a timetable for the phasing out of INF missiles.

While maintaining that there was a real possibility that an agreement on long-range strategic nuclear weapons could also be reached before the end of the Reagan presidency, Mr Nitze said there was no question of Britain and France being asked to make cuts in their nuclear forces for many years to come.

The US had proposed that Washington and Moscow should implement their 50 per cent reduction of strategic missiles over a period of seven years, while the Soviet Union had proposed a time-table of five years. It was only when the US and Soviet reductions were almost complete that there would be any question of starting multilateral talks with Britain and France.

● Mr Jean-Bernard Raimond, the French Foreign Minister, yesterday expressed muted concern about last week's agreement in principle between the US and the Soviet Union on the global elimination of intermediate range nuclear missiles.

Addressing the United Nations' General Assembly in New York, he draw attention once again to the continuing East-West imbalance in conventional weapons, called for action to cut strategic nuclear arsenals, and said France hoped the present normalisation of relations between Washington and Moscow would "not result in decreased security for other countries, especially in Europe."

NATO AND the Warsaw Pact resume talks in Vienna today on reducing conventional forces in Central Europe amid increasing speculation about the future of the deadlocked negotiations which first began in 1973, writes Judy Dempsey.

The tacit consensus among Nato and Warsaw Pact diplomats is that the Mutual and Balanced Force Reduction talks could be replaced by an new grouping, known as "the 23" which has been conducting informal meetings. These have been taking place in Vienna since February between all the member countries of Nato and the Pact with the aim of giving a fresh impetus to cutting conventional forces.

Currently the MBFR talks involve the 12 Nato states with a direct interest in the Central European zone and the seven Warsaw Pact. A new grouping of the 16 Nato states and the seven Warsaw Pact countries—under the aegis of the Conference on Security and Co-operation in Europe—is being considered but it would exclude the neutral and non-aligned participating countries of the CSCE. The CSCE has to give a mandate for the new talks.

Vorovsky St defies the bulldozers

By Patrick Cockburn in Moscow

POPULAR demonstrations in central Moscow against the construction of a new Turkish embassy building has led to a *diplomatic deadlock* between the Soviet Union and Turkey.

The *origin of the dispute* is an agreement signed by the Soviet Union in 1978 for the construction of a new staff residency for the Turkish embassy in place of a small park at 17 Vorovsky Street in central Moscow.

The street, filled with classical Russian buildings, is one of the oldest in the capital, but under Mr Leonid Brezhnev, the Soviet leader then in the Kremlin, there was nothing much local residents could do to protect their area.

But when construction work was finally due to begin this year people living in Vorovsky Street, taking advantage of greater freedom of expression under Mr Mikhail Gorbachev, took over the proposed building site.

Today a 200-year-old elm and 14 other trees in the little park are cordoned off by a white rope and large placards read: "Under the protection of the people."

In the face of these protests Moscow city soviet (council) withdrew its workforce and agreed not to touch the trees. A letter was sent to the Turkish embassy saying work had been suspended to *calm* the protestors.

The embassy explained yesterday that it had no intention of compromising and that the 1978 agreement naming the site *for the residence* for its staff still held good.

Turkish diplomats are also conscious that they have *some* leverage *because* as long as demonstrators pre*vent work starting in Mos*cow construction will not be allowed to start *in Ankara* on a new residence for Soviet embassy staff.

Knowing of the impasse *facing the Foreign Ministry*, people in Vorovsky Street are suspicious of promises by the authorities to spare their park. After an apparent victory earlier this year, posters reading: "The 200-year-old elm is in danger" went up again recently and pickets were posted around the trees.

Mr Papandreou (left) presents his reshuffled team. Alongside him are Mr Tsohatzopoulos, Mr Koutsogiorgas and Mr Gennimatas, the three new members.

Papandreou bid to restore party image with voters

BY ANDRIANA IERODIACONOU IN ATHENS

GREEK OPPOSITION parties on left and right yesterday reacted to Tuesday's sudden cabinet reshuffle with scepticism and calls for an early general election. The changes mean Mr Andreas Papandreou, the Socialist Prime Minister, has restored a strong party presence to the Government.

The Prime Minister has brought back into the cabinet three powerful party figures removed last winter for criticising his moderate policy choices. They are Mr Giorgios Gennimatas, Mr Agamemnon Koutsogiorgas and Mr Akis Tsohatzopoulos. For Mr Papandreou it is vital that the Government's new profile *restore the credibility of the* Socialist Party (PASOK) in the eyes of disaffected left-wing voters. The latest reshuffle, the *thirteenth since the party took* power in 1981, come at a time when polls *show Socialist* support to be down to about 25 per cent, the lowest level in 10 years.

Voter disaffection is only partly traceable to the tight incomes policy applied by the Government over the past two years as part of the economic stabilisation programme. PASOK's decline has been hastened equally by proliferating allegations of misuse of funds in the public sector.

In the past week, the so-called "scandals" have been displaced from the front pages of the local press by yet another topic—the Prime Minister's relations with his American wife, Margaret, founder and leader of the feminist Greek Women's Union

Press commentators theorised yesterday that Mr Papandreou brought forward the cabinet reshuffle, generally expected in early 1988, to divert attention from recent newspaper reports *alleging* that *his* relations with his wife were strained over plans by the latter to found her own political party. Mrs Papandreou dismissed reports of such plans as "nonsense."

A *final reshuffle note*—the only cabinet member to have *survived in the same post* through 13 government changes is the *charismatic Ms Melina* Mercouri as Minister of Culture, who remains *free to continue* her pursuit of the Elgin marbles.

Gelli faces charges in Argentina

By Tim Coone in Buenos Aires

AN ARGENTINE federal court is to request the extradition of Licio Gelli, the founder of the Italian Masonic Lodge P2, who gave himself up to police in police in Switzerland on Monday.

According to a justice official in Buenos Aires who is dealing with the case, as soon as official notification of Gelli's arrest is received from Switzerland, extradition procedures will be started against him on charges of passport falsification.

His interrogation by the Argentine courts might also help clear up numerous questions relating to major frauds in Argentina which have contributed to the country's $54bn *foreign debt*.

Gelli is known to have held at *least three falsified* Argentine passports over the past 15 years, dating *from the period* when he first developed close *links with the* Peronist governments of 1974-76, and the sub*sequent military regimes* up the 1983.

In 1974 he was made economic adviser to the Argentine embassy in Rome and in 1978 was illegally given diplomatic status as a roving ambassador for the de facto military government of the time.

He was a friend of ex-General Suarez Mason, whom he introduced to the P2 lodge, and who was one of the *key* figures in the "dirty war" unleashed by the Argentine armed forces following the military coup in 1976, which *left* as many as 30,000 political activists missing. General *Suarez* Mason faces more than 600 charges of human *rights* abuses in Argentina. He was arrested in the US last *February* and extradition proceedings are presently under way.

Community steel curbs eased

BY WILLIAM DAWKINS IN BRUSSELS

A SLIGHT recovery could be on the way for the EC's depressed steel industry, according to the latest output estimates released yesterday by the European Commission.

Community steel production *should total 126.1m tonnes this* year, a 4 per cent improvement on the 1986 level of 125.6m yesterday. The improvement *comes thanks to a surprise* increase in export orders and better than expected *demand* from car markets, especially in the UK where vehicle registrations have reached record levels.

As a reflection of this more buoyant outlook, the Commission yesterday relaxed individual produtcion quotas for all steel products except for hot rolled coil, the largest sector and the area where overcapacity is heaviest. Overall, quotas for the steel output regulated by the EC—representing roughly 60 per cent of the Community's annual total—will rise from the third quarter figure of 13.05m tonnes to *13.67m* tonnes for the final three months of the year.

If there is a steel recovery, however, it is a patchy one. The Commission estimates that production in the fourth quarter, at 31.5m tonnes, will show little change on the 31.02m tonnes recorded in the same period of last year. Within that, demand should grow from the mechanical and electrical engineering industries, mainly in the private sector, while the outlook is gloomy almost throughout the EC for steel sales to the rail and shipbuilding sectors.

FOURTH QUARTER STEEL OUTPUT QUOTAS
(m tonnes)

	Q1	Q2	Q3	Q4
Hot rolled coil	3.541	3.763	3.763	3.689
Cold rolled sheet	3.137	3.378	3.137	3.258
Quarto plate	1.193	1.171	1.128	1,280
Heavy sections	1.029	1.135	1.110	1,183
Wire rod	2.258	2.258	2.147	2.332
Merchant bar	1.800	1.768	1.736	1.928
Total	12.95	13.47	13.05	13.67

Source: European Commission

Dutch industry stagnant in July

By Laura Raun in Amsterdam

INDUSTRIAL production in the Netherlands was stagnant in July with the Index unchanged at 106 compared with July 1986, according to seasonally adjusted figures from the Central Bureau of Statistics.

Stagnating consumer demand and falling exports abroad are blamed for the lacklustre index (1980 equals 100). For all of 1987 industrial production is forecast to edge up about 2 per cent as the strong guilder erodes the trade surplus, and higher taxes and welfare premiums depress consumer spending.

Pruning the economy after Agrokomerc may not be enough if the system itself is kept intact, writes **Our Foreign Staff**

Decentralised 'self-management'—the last Yugoslav taboo

YUGOSLAVIA, one of the most relaxed of Communist countries, has far fewer taboo subjects than its Warsaw Pact neighbours. Until recently the only topic that was really sacrosanct was that of workers' self-management—the system established by Tito and seen by Yugoslavs as securing them a unique position in the Communist world as independent, forward-thinking reformers.

But the country's mounting economic struggles, exacerbated by financial scandal, galloping inflation, industrial unrest and an approaching debt crisis, is causing many to question—at least obliquely—whether the system itself may not be responsible.

Even the beleagured Prime Minister, Mr Branko Mikulic, recently lamented the Federal Government's relative weak con*trols on the economy*, "when several thousand self-managing and state enterprises are permitted to make decisions influencing economic development, expenditure, the general situation and market relations, prices and other things . . ."

Yugoslavia is meeting severe difficulties in paying back its foreign debt of about $19bn. Preliminary debt talks with International Monetary Fund officials opened earlier this month in Belgrade and talks with other creditors are likely next week in Washington, where the IMF/World Bank are holding their annual meeting.

The government has called for a new rescheduling of its foreign debts, 70 per cent of which are owed to banks, and last week Mr Mikulic proposed a three-year moratorium on debt repayments. In 1983 Yugoslavia negotiated a six-year rescheduling with a 2½-year grace period before principal repayments were to be made.

The debt problem this year is worsened by a bunching of repayments, with $2bn of interest and more than that in principal falling due this year. It was granted a 90-day extension on two principal repayments to banks due in the summer, of $93m due on June 30 and a further $152m on July 20. But there are strong doubts about whether the country will be able to meet even the later deadlines. Last year, and in the first seven months of this year, Yugoslavia has repaid and sometimes even prepaid around $1.6bn to $1.7bn of its debt principal, but because of the fall of the dollar that did not reduce the dollar amount of the outstanding debt. The sum repaid was still too high, however and has caused serious problems.

Meanwhile, with debt servicing *taking close to* 45 per cent of the country's foreign exchange *earnings*, government officials have announced that they *will be seeking further* rescheduling. They have called for an agreement with foreign creditors "on a rate of debt repayment that would enable the economy to devote part of *its profits to development*," and ministers hope to repay the debt "*according to realistic pos*sibilities of the Yugoslav eco*nomy*."

This formulation is believed *to be a basis for forthcoming* negotiations with the IMF/*World Bank, but it is not clear* what response the Yugoslavs will get.

Industrial production so far this year is barely 2 per cent higher than in the first eight months of 1986; in August it actually fell 0.9 per cent compared with August 1986. That was due to unused capacity, a shortage of imported inputs, falling domestic demand in some sectors and a slow reorientation towards export.

Trade performance provided one of the few bright spots on the economic horizon. Exports have been rising: in eight months average exports reached $6,786m, an increase of 4.5 per cent, while imports fell to $7,828m, a fall of 3.4 per cent. These figures give only part of the picture. Exports to developed countries rose 25.6 per cent in dollar terms while imports from those countries rose only 4.4 per cent.

On the other hand trade with socialist countries—mainly the USSR and the developing countries—was less satisfactory. Exports to the socialist countries fell 15.8 per cent while imports *rose* 2.1 per cent. Exports to the developing coun*tries rose* 5.3 per cent while imports fell 33.1 per cent.

Favourable export results with developed countries, however, did not bring in more hard currency. Faced with difficulties in obtaining money to pay for imports—most export earnings are used for debt servicing — companies quickly switched to various forms of non-cash transactions.

These include long-term production co-operation (where partners exchange components and assemblies to the same value), border trade, compensation and other types of countertrade. An estimated one-third of Yugoslav foreign trade is conducted in this way.

Hard currency earnings on *tourism* are *expected to rise* 20 per cent this year to $1.6bn but *other invisible* earnings, such as remittances from Yugoslav *workers abroad*, are not expected to rise significantly.

It is not yet clear whether and to what extent the Agrokomerc scandal will damage Yugoslavia's creditworthiness. But few would consider the corruption revealed in this major food and agricultural enterprise to be an isolated incident.

The scandal, involving false promisary notes estimated at almost $1bn, has already prompted the resignation of the Federal Vice-President, Mr Hamdija Pozderac, the arrest of the Agrokomerc president, Mr Fikret Abdic, and a government decision to liquidate the Bihac Bank which was closely involved in the affair. Further *sackings, resignations* and arrests are expected.

But the effects of the scandal are likely to go far beyond those directly involved. It confirmed what had been widely *known*; that the economic and legal systems in Yugoslavia have not been functioning properly for years.

Investment projects all over the country have been financed in *irregular ways—by* borrowings exceeding repayment abilities by *short-term resources* or working capital, and by issuing *promisary notes* which could not be honoured at maturity.

The scandal also highlighted *inefficiency and corruption in* institutions and among local bureaucrats and technocrats, extending even into the legal *system*. There is the additional element of the continuing *power struggle* between vested interests in the republics and centre. The Agrokomerc affair is largely about republican *self-interest*.

Mr Mikulic is determined to push through a new law on bankruptcy which will not only affect unemployment but will also threaten a large number of prestige industries in the republics—industries which were often duplications of other industries in other republics.

Local party organisations and other groups which built their power base by expanding and financing these industries, which were rarely economically viable, will also be under threat, as is the whole network of patron-client relationships. But once this starts to unravel, there is no saying how much of the economy will be brought *down with it*.

That is why the party and businessmen are deeply concerned about the repercussions of the Agrokomerc affair. Once one link in the *chain is cut*, the rest starts to *fall apart*. Mr Mikulic will *not* and cannot allow that to happen — which suggests *that the Government is* still a long way from tackling the *real problems*.

Yugoslavia is liquidating the bank *at the centre of* the financial scandal which has led Vice President Hamdija Pozderac to resign and has compounded the nation's economic crisis, according to the Tanjug news agency. Reuter reports from Belgrade.

It said Bihac Bank in Bosnia-Herzegovina, which underwrote false promissory notes worth millions of dollars, was the first Yugoslav bank to be liquidated since the war. It emerged last month that a big state company, Agrokomerc, had issued almost $1bn-worth of the false notes.

Tanjug said private local *currency savings deposits* and currency accounts at the Bihac bank would be guaranteed under the terms of liquidation and transferred to other banks. The agency said the authorities decided to liquidate the bank since it was now insolvent, which posed problems for many economic enterprises in the region.

Some officials say the Agrokomerc affair exposed a basic cause of high inflation, now running at 116 per cent. The widespread practice of issuing unbacked promissory notes meant that huge sums of money were injected into the economy.

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Orderly cut in US budget deficit urged

AN ORDERLY reduction in the US budget deficit is the best means for averting any foreign-exchange or financial crisis, Mr Paul Volcker, former Federal Reserve Board chairman, said, Reuter reports from New York.

"Dealing with the federal budget deficit has to be an integral part of any successful economic policy for the US in the latter part of the 1980s," Mr Volcker told the American Institute of Certified Public Accountants.

He added that it was hard to visualise any successful attack on the US trade deficit that is not accompanied by greater budgetary discipline.

"So long as we spend more than we produce at home, we will remain dependent on borrowing from abroad. It's clearly in our interest that those funds continue to flow freely at reasonable interest rates," the former Fed chairman said.

He noted that private inflows into the US earlier this year had dried up temporarily because of concern about the dollar's value on exchange markets. He warned that "a further sharp depreciation of the dollar" would be dangerous.

Mr Volcker said the dollar's fall had already brought the cost of US goods more into line with those of other industrialised nations, and that, despite the disappointing figures of the past couple of months, trends in the volume of US exports and imports have turned more favourable.

He also said that efforts to cut the US trade gap by controls on imports would result in rapidly accelerating inflation in the US and economic shock for those countries dependent on exports to America. "The risks of serious worldwide recession would be maximised. We would end up with a far bigger mess than we started with," he said.

Venezuelan reserves fall by $380m

The Venezuelan Central Bank reported yesterday that its international reserves had fallen to $9.48bn at the beginning of September, a $380m drop from January 1, AP-DJ reports from Caracas. The Government also said it would make a $250m principal payment on its $20.34bn of refinanced public debt on November 18.

Left-winger challenges Mexico's presidential selection ritual

THE 76-year rule of Mexico's Institutional Revolutionary Party, has begun the countdown to the most important event of each six yearly period of government—the encumbant president's unveiling of his successor, writes David Gardner in Mexico City.

President Miguel de la Madrid is likely to announce which of six named cabinet ministers is to replace him in the next two weeks.

The public ritual surrounding this hermetic process of selection are being gone through one by one, as the ruling party attempts to demonstrate its absolute control of Mexican political life.

In recent tradition, the "unveiling" or destape has taken place in the final week of September. But on this occasion the Government appears to want to spin it out in order to parade its ability to resist the unprecedented pressures which have built up around the succession.

Yesterday the PRI was due to start what party president Jorge de la Vega described as "a third round of consultations" with federal and state party and union leaders on the merits of the six candidates.

Despite this, both government and PRI officials privately tend to agree that Mr de la Madrid has finished consulting and party barons and vested interests such as the private sector which has a voice, but no vote in the succession, and has long since made his choice.

The front runners to become the next president who takes office in December next year are Mr Carlos Salinas de Gortari, the planning minister, Mr Alfredo del Mazo, the energy minister, and Mr Manuel Bartlett, the interior minister.

Mr de la Madrid's right to handpick his successor has been challenged from within the party by the so-called Democratic Current, led by Mr Cuahtemoc Cardenas.

Mr Cardenas, the left wing nationalist former state governor and son of 1930s President Lazaro Cardenas Mexico's most prominent modern politician, has put forward his own candidature and demanded that the party put him down on an open register of runners from which an elected PRI Congress would choose the winner.

The PRI/Government made a purely cosmetic concession to this demand by for the first time naming publicly six candidates who were then made to outline their views on the major national questions to an audience of party leaders.

Mr Cardenas was pointedly not invited to put forward his programme and at the beginning of this week party leaders told the dissident they were outside the pale. The PRI hierarchy has made two attempts to expel Mr Cardenas but bungled both in a way which shot him to national and international prominence.

To underline their implacable rejection of the Cardenas faction PRI and government leaders on Monday held a public ceremony to unveil a new bust of Plutarco Elias Calles, the founder of the party who was sent into exile by President Cardenas. The ceremony was designed to overshadow a demonstration called by the Current which in the event was largely washed out by torrential rain.

The PRI leadership has also taken to repeating a slogan, bizarre to outsiders, which translates literally as "Neither before, nor after." Though vacuous even by the standards set by Mexican political windbaggery, the slogan is intended to convey the PRI's intention to annoint a new leader at a time of its own choosing, and under the rules of its own making.

Senate bank chief seeks to scrap regulatory law

BY LIONEL BARBER IN WASHINGTON

Senator William Proxmire

SENATOR William Proxmire, Senate Banking committee chairman, intends to introduce a bill this autumn to scrap the 50-year-old Glass Steagal Act which separates commercial banking from the securities industry.

The move marks a big shift in thinking by Senator Proxmire who has argued in the past that Glass-Steagal prevented conflict of interest and excessive deregulation. The 1933 Act was largely a response to the earlier financial collapse in the US.

A senior adviser to Senator Proxmire said yesterday that the Wisconsin Democrat's shift largely reflected his fears about excessive concentration in the banking industry in the US.

Some US officials in the Reagan Administration have argued that US banks need to be bigger to compete in the world market place.

"Senator Proxmire's concern about conflicts of interest arising from deregulation have not surfaced. Look at the way things have gone in London," the aide said, noting that Senator Proxmire's wholesale opposition to Glass Steagal had softened in recent months.

His bill—which is being drawn up by staff — would require companies that sell bank products and underwrite securities to keep the two activities separate by putting them in distinct subsidiaries. It would also bar the largest banks from merging with the largest securities firms.

The result would be that securities firms could offer a full range of bank products such as deposit taking and cheque accounts. Banks meanwhile would be allowed to offer corporate debt and equity underwriting.

US inflation peaking, says Volcker

US inflation will now level off after rising in the first half of the year, Mr Paul Volcker, the former Federal Reserve Board chairman, said yesterday, agencies report from Washington.

"I think we are at a critical point. We don't want to see more rapid price increases built into the wage structure," *he told a press briefing.*

Mr Volcker's statement came as consumer price figures for August were released—up 0.5 per cent as still rebounding energy prices overwhelmed a small drop in food costs.

For the first eight months of 1987, inflation at the retail level has been running at an annual rate of 5.1 per cent, nudged up by the August figures from the 5 per cent level that had prevailed through July.

The latest statistics came as a surprise to many economists, who had predicted August inflation in the 0.2 to 0.3 per cent range.

The August increase alone, if continued for 12 consecutive months, would yield an annual inflation rate of 5.8 per cent, government analysts said.

The increase in the Labor Department's consumer price index followed a 0.2 per cent increase in July. It was the steepest climb since a 0.7 per cent rise last January.

Mr Volcker, asked if the financial markets had overreacted to expectations about an increased rate of inflation, said wariness about a price acceleration was always a good thing.

Ivo Dawnay profiles an unconventional rising political star

Brazil's popular anti-populist

CAN A MAN who unashamedly wears snappy blue blazers and Dior ties be a serious presidential candidate in a country where every millionaire normally strips to shirtsleeves for the hustings? This is a major talking point when Sao Paulo's political dinner parties switch the spotlight onto the city's latest rising star—Guilherme Afif Domingos.

Nobody believes Mr Afif will put himself forward for the presidential race to succeed President Jose Sarney, either next year or in 1989; the city's mayorship is his first target. But the 43-year-old deputy has brought a refreshing whiff of change with his expensive aftershave.

Since reaching Congress last November as a Liberal Party deputy, almost everything about this Lebanese-Italian insurance company baron—the grandson of a door-to-door salesman — has appeared different. He has fought and won a series of crucial battles, drafting legislation that firmly endorses private enterprise at the expense of Brazil's traditionally paterfamilias state.

As secretary for agriculture in the Sao Paulo state government of Mr Paulo Maluf, Mr Afif has already proved he can make friends both in farming and the favella shanty towns by organising cut-rate wholesale markets that phased out the middlemen. And as president of a small business association he won kudos for a fierce protest campaign against rocketing interest rates.

As long as a year ago Mr Afif attributed the roots of inflation to government prodigacy. As this is now the growing consensus in Brazil, backed by further government spending cuts last week, his other opinions have won a respectful audience.

Afif: Dior and debonair debate

Although characterised by his left-wing opponents as a capitalist reactionary, Mr Afif's views are extremely radical to Brazilians. In his election manifesto he promised to fight to "implode the neo-feudal regime, where the state is the great lord, with his court of technocrats, bureaucrats and beneficiaries, and the Brazilian people his vassals."

To achieve this end Mr Afif advocates the end to all state subsidies and aid to public companies, devolution of many federal powers to the municipalities, abolition of cartels, monopolies, and protectionism, a floating currency with no exchange controls and loans negotiated in the free market without government supervision.

So distrustful is he of the corrupting effects of bureaucratic power that he would allow workers and employers to opt to negotiate pensions and even education and health programmes among themselves, rather than keep them as a state responsibility.

"The doctrine of statism that has dominated this country since 1930 has shown itself absolutely incapable of resolving social problems," he says. "It simply improves the conditions of those who manage the state at the expense of the taxpayer."

But he also insists that his philosophy of "social liberalism" is not just carefully camouflaged laissez-faire. Free and local bargaining between worker and employer, he claims, would produce a more genuinely reformist system in which the cake would be cut by those who produce it, without the cream being scraped off by parasites.

President Jose Sarney's populist rhetoric is no different than that of the leftist-inclined President Alan Garcia of Peru, he claims. "Populism is Brazil's tragedy, and with no real political parties we only have institutions inherited from colonial days—the state, the armed forces and the church."

Mr Afif points out that world leaders from Thatcher to Gorbachev, Gonzales to Cavaco Silva in Portugal, are all surfing on the wave of "less government" while Brazil is drowning under inefficient or corrupt bureaucracy.

That may take some time. Essentially cautious, Brazilians like the concept of modernity but actually fear change. Furthermore, conservative vested interests, for whom Mr Afif's ideas are not only subversive but likely to be ruinous, are deeply embedded. As the country wallows in stagflation, however, the antique nationalism of both socialist left and conservative right are looking less and less adequate to tackle the issues.

The fact that Mr Afif's dream combines free enterprise, free unionism and an attack on the suffocating state could yet gain mass appeal in places like Sao Paulo where capital and labour are strong and organised. It will be less appealing, however, in the poor north-east where only a government job provides security and status.

OVERSEAS NEWS

Fijian Governor forms interim government

BY ROBIN PAULEY, ASIA EDITOR

A NEW caretaker government will be formed in Fiji on Monday, with equal representation from the two main political parties, in an attempt to break the political deadlock following the military coup in May.

The interim administration will not have a prime minister from either party. Ratu Sir *Penaia Ganilau, the Governor* General, who has been ruling by emergency decree since the coup, is expected to chair meetings of the interim ministers.

This is the first significant move towards solving the deadlock since the coup ousted the newly-elected Government of Dr Timoci Bavadra.

The breakthrough came this week when Dr Bavadra agreed *to drop his Supreme Court* action against Ratu Ganilau, which sought a ruling that the Governor General's dissolution of parliament after the coup was illegal. Yesterday half of the Melanesian 115 prisoners who broke out of jail on Tuesday returned to their cells after receiving assurances from Ratu Ganilau, a leader of the Melanesian community as well as the Queen's representative, that the court action had been dropped—and that anyway he would not have appeared in court personally.

After independence from Britain in 1970 Fiji was ruled by the conservative Alliance Party led by Ratu Sir Kamisese Mara. They were defeated in a general election in April by Dr Bavadra's National Federation Labour coalition. Although Dr Bavadra is a Melanesian, his party largely represents the country's *Indian* population which controls most of the business and commerce, and *narrowly outnumbers* the indigenous Melanesians.

The coup leader, Lt.-Colonel Sitiveni Rabuka, said his aim was to ensure that political control remained forever in Melanesian hands, an aim supported by the influential Great Council of Chiefs and by the militant Taukei movement which has led a campaign of mounting violence and arson against the Indian community since the coup.

Dr Bavadra has boycotted talks aimed at redrafting the constitution to ensure *Melanesian* supremacy. Lt-Col Rabuka is chairing a committee which is redrafting the constitution to "safeguard the interests of the Melanesian Fijians."

Dr Bavadra, however, is unlikely to accept any proposals that do not treat all Fijians *equally.*

Sikhs' holy temple raided

POLICE AND paramilitary troops yesterday raided the complex around the Golden Temple, the holiest shrine of the Sikh religion, and arrested 24 suspected extremists, police said, AP reports from Amritsar.

The search in the sprawling complex included a pilgrim hostel and offices of the Sikh Temple Management Committee and the women's wing of the Sikh Akali Dal Party, police said.

Mr S. S. Virk, director-general of the parliamentary Central Reserve Police Force, said police did not enter the area around the temple pool, where newspaper reports have said Sikh guerrillas sought by *authorities are hiding.*

The militants, who are fighting for a separate Sikh nation, *have been blamed for* more than 750 deaths of Hindus and moderate Sikhs in Punjab this year.

Past raids on the Golden Temple have raised a furore among Sikhs, who claim police entry defiles the gold-domed, 400-year-old shrine. Much of the Sikh animosity toward the government grew out of a massive army raid on the temple in June 1984 that left 1,200 people dead, most of them Sikhs.

Mr Virk told reporters that his paramilitary forces and Punjab police conducted a two-hour search. The raiding party took 24 suspected militants into custody and seized a pistol.

Libya and Chad attend peace talks

By Victor Mallet in Lusaka

HIGH LEVEL delegations from Libya and Chad met in Zambia yesterday with other African leaders in an attempt to negotiate an end to their long running conflict.

The chairman of the Organisation of African Unity, President Kenneth Kaunda of Zambia, urged both sides to *uphold* a 12-day ceasefire while a lasting solution was worked out. "The conflict *between these two countries* has been going on for too long," he said. "It is a chapter in our continent's history which we together should end."

Libya's unpredictable leader, Col Muammar Gadaffi, did not arrive for the hastily convened conference. But he sent Mr Jaddallah Azzouz al Talhi, his Foreign Minister, and so ended a Libyan boycott of the special OAU committee which has grappled with the Chad-Libya problem for the last decade.

Chad's delegation was led by President Hissene Habre. Also present were President Omar Bongo of Gabon, who chairs the committee, the presidents of Senegal and Mozambique.

In Ndjamena, official Chad radio, underlined the fragility of the ceasefire by accusing Libya of repeatedly sending warplanes over northern Chad.

Tony Walker outlines the successes and problems facing Saddam Hussein's government

The smile on Iraq's war-weary face

WORKMEN LABOURING in the hot sun outside the Al Hamra hotel in Basra were putting up a portrait of Iraq's President Saddam Hussein in military regalia.

It seemed an incongruous activity. Here were time and resources being devoted to what might be regarded as a frivolous task in a city barely surviving under the weight of Iranian artillery bombardment. In any case, it is not as though Iraqis are starved of reminders of their president. Iraq seems at times like a hall of mirrors, each reflecting a different likeness of the leader.

Now more than ever, it seems, the regime is seeking to *reinforce the impression* that Iraq's very survival is inextricably linked with that of Mr Hussein, who is depicted as the one figure capable of leading his country to salvation against Iran.

The Iraqis have long since abandoned any hope of victory. "I think they can achieve redefined aims," said a western ambassador. "They can say they won the war if they survive."

The war, which began seven years ago this month, has reaped a terrible harvest. Up to 500,000 Iraqis have *lost their* lives and many more have been wounded out of a population of 15m.

Iraq, whose oil riches rival those of Saudi Arabia, was flush with *funds* before the war began; now foreign debt is estimated at between $25bn to *$50bn. War-weariness is* apparent in Iraqi officials who talk hopefully of peace, and in ord*inary citizens,* who *speak* with resignation of the need to do their duty at the front.

The Italian and British governments have agreed on a number of "*technical* co-ordination measures" to be operated by their navies when *the eight-vessel Italian* contingent reaches the Gulf, the Italian Ministry of Defence *announced yesterday, John* Wyles reports from Rome.

A similar operating agree*ment has also been agreed* between Italy and France, although details have not been *released in either case.* The Corriere della Sera newspaper carried a report from the Gulf this morning claim*ing that an agreement* had been reached on zones of responsibility between all of the navies *to be operating* there.

This would give the US *responsibility for the* northern Gulf; Italy, Holland and Belgium for the waters off *Qatar and the United Arab* Emirates; the UK for the entry past the Straits of *Hormuz and France for the* approaches to the Straits.

Curiously, however, the mood among the country's leadership is more buoyant than a year ago, almost self-confident in the belief that it has weathered the worst of the conflict. This feeling, which could easily be shattered by a battlefield reverse, seems to be based on four factors.

These are the halting of the Iranian attack in the south; the firming of the oil market and the ability to export more oil following *the expansion of the pipeline* to Turkey's Mediterranean coast; progress towards *internationalising* the Gulf conflict, *always one of its primary* diplomatic aims and the incident in Mecca this July, which *has stiffened Arab resolve* against Iran.

A senior Iraqi official, reflect*ing this mood, said in an inter*view, "We have never been as strong as we are now, politically and *militarily:* our *position* in the world is better, our oil exports are double the level of two years ago."

A western military attache said Iraq was now employing its airforce more effectively against military targets in Iran. He cited the example of a successful strike last year against a power station on the eastern corner of the Caspian Sea, a round trip of about 1,400 kilometres, as an example of a "very professional" operation which required at least one mid-air refuelling.

Mr Hussein himself, who has been under extraordinary stress, is said by western observers to exude a greater sense of well-being. The 50-year-old president demonstrated his command soon after the debilitating *battle for* Basra when he introduced sweeping economic changes, including a privatisation programme and the unilateral abolition of trade unions. "These are all signs of a man totally in control," *said a western official.*

Just when its fortunes appear to be looking up, however, Iraq *is facing growing internal security* problems. These include an increase of Kurdish unrest *in the north, car bombings* in Baghdad itself and an outbreak of banditry by army deserters who have taken *refuge* in the marshes north of Basra.

Iraq has employed ruthless methods to suppress the restive Kurds, some of whom have been engaging in joint operations with Iranian revoluttionary guards. The Iranians have infiltrated across the rugged northern frontier and are said to have been active in the mountainous area near the Iraqi *town of* Sulaymaniyah, which has been under artillery fire.

Iraq's economy, although battered by seven years of war, is perhaps surviving better than might be expected. Dr Khaled Hossein Ahmed, chairman of the economic planning commission, said that under a revised three-year development plan starting next year growth rates would exceed the rate of population increase, currently running *at about 3.2 per cent* a year.

Dr Ahmed said that main*taining* a reasonable rate of growth would depend to some extent on oil revenue remain*ing at present levels.* He noted that by mid-1989, with the expected completion of an oil pipe*line through* Sadi Arabia, Iraq would be able to export 3m barrels a day; a figure comparable to pre-war *levels.*

Its present export capacity through existing pipelines totals 2m barrels a day. This is a vast improvement on the position early in the war when Iraq's export capacity was just 600,000 barrels a day.

Iraq is continuing to defer payments on debt to its major *creditors—principally Japan,* which its owes about $2bn. Most western credit agencies have *suspended cover for* Iraq, but governments and businessmen are taking care to preserve economic ties. If and when the war ends Iraq, with its vast oil wealth, will offer considerable opportunities.

It is perhaps Iraq's success in drawing the Americans more directly into the Gulf conflict that is cause for most satisfaction in Baghdad. The presence of a US armada in the region is seen as an invaluable means of increasing pressure on Iran, but Iraqi officials are realistic enough to recognise that the American fleet could just as quickly vanish.

"There is no tilt towards Iraq," declared Salah Mukhtar, a senior official in the information *ministry.* "*There is a tilt* towards American interests: that is, a tilt towards protecting *US bases in the Indian Ocean* and establishing new bases in the Gulf to confront the Soviet Union."

Iraq itself is watching Soviet policy in the region like a hawk. Moscow's recent overtures towards Tehran are causing discomfort in Baghdad, but Iraqi officials are relatively confident that the USSR would do nothing *to jeopardise its survival.*

Their confidence is based on a number of factors, not least *Moscow's concern to preserve its* relationships with moderate Arab states, assiduously cultivated *for* several years. The Soviet Union, as one western envoy noted, has made a huge investment in Iraq through the supply of vast quantities of *military equipment on credit.*

Iraq's survival, or at least that of its regime, is of almost *equal concern to both super*powers. Events have moved some way since Henry Kissinger's observation that it was unfortunate both sides could not lose.

Kuwait fears new missile attacks

By Andrew Whitley in Kuwait

KUWAIT EXPECTS further Iranian long-range missile attacks at *any time,* in retaliation for the bruising Iranian forces in the Gulf have received this week at the hands of the US Navy, a senior Minister said yesterday.

Just across the Khawr Abd Allah waterway, separating the captured Fao peninsula from Kuwait's deserted Bubiyan Island, Iran has installed missile batteries trained on Kuwait City, some 40 miles away. What greatly relieves Kuwaiti officials is that judging by the four missiles known to have been fired to date from these emplacements, the Iranians seem to be operating at the extreme end of their weapons' effective range.

"We accept anything they want to throw at us, missiles or anything," said the senior official with a resigned shrug. Sabotage is, in fact, a greater danger than missiles. His confidence was born, in part at least, out of the knowledge that any serious threat by Iran to its neighbour's territorial integrity would swiftly invoke outside intervention.

Symbolising the determination of the US, for one, to "face down" those Iranians who have humiliated Americans so often in the past, Mr Casper Weinberger, the US Defence Secretary, is due to begin a visit *to Saudi Arabia and Bahrain.*

Even though the security of Kuwaiti oil exports is nominally the object of the whole exercise, out of concern for Kuwait's sensibilities—not to be identified too closely in public with U.S. muscle flexing—Mr Weinberger will not be coming to Kuwait.

This is not to say that behind the scenes Kuwait has not been, as one Western diplomat put it, "*very, very co-operative.*" What heartens the US is the new level of co-operation and co-ordination that has developed lately between Kuwait, Saudi Arabia and Bahrain.

In the Iran/Iraq war, now starting its eighth year, it was a rest day at sea for the weary crews of those tankers still braving the Gulf on their own, without naval protection.

On land, Tehran Radio said Iranian artillery had laid down a 24-hour barrage of shells on military and industrial targets in southern Iraq, around the half deserted towns of Basra, Umm Qasr and Zubair.

For their part, Iraqi aircraft persisted with their all too familiar raids, bombing two factories and a power station in formerly Kermanshah, Tehran said one person was killed and five injured in the midday attack.

● Egypt's Suez Canal Authority will impose a 30 per cent surcharge on warships heading almost daily from the Mediterranean to the Gulf, Authority officials said yesterday, Reuter reports from Port Said.

They confirmed a report in the Cairo daily al-Ahram that military vessels would have to pay the surcharge, but said it was not known when the levy would start.

Warships normally pay the same tolls as commercial vessels using the waterway between the Mediterranean and Red Seas.

IMF accord has underpinned reforms and increased Western aid

Tanzania resists call to speed devaluation

TANZANIA is resisting International Monetary Fund pressure to increase its rate of devaluation, but this seems unlikely to keep Presi*dent Ali Hassan Mwinyi* from signing a new IMF accord when his country's present stand-by accord expires in February, Reuter reports from Dar es Salaam.

"The Government has shown a clear determination to continue with some kind of linkage to the fund," one Western economist close to the IMF negotiations said.

"Tanzania's present 18-month stand-by agreement has underpinned reforms aimed at liberalising the state-run economy and opened doors to a massive increase in Western aid.

A series of devaluations have sent the Tanzanian shilling tumbling to an official rate of 68 per dollar *from 17 two years ago. This has* provoked protests that the policy has gone too far from old-guard socialist politicians such as *former* President Julius Nyerere, who has in the past harshly criticised the IMF.

But the IMF, which wants Tanzania to reach a loosely defined state of "exchange rate equilibrium" by mid-1988, is urging the Government to devalue even faster.

Government economists say the

President Mwinyi: pleasing donors

IMF wants *Tanzania* to reach an exchange rate of about 120 shillings per dollar – which the fund regards as as realistic – by June next year while the Finance Minister, Mr Cleopa Msuya, is counter-proposing a rate of 95.

According to official sources, the Government feels that to devalue any faster at present would only fuel inflation and reduce living standards further without increasing exports.

The black market exchange rate, often an *approximate indicator* of the real value of a currency, currently stands at 160 shillings per dollar.

Nevertheless, Western donors are pleased with the progress Mr *Mwinyi has made towards reforming* and reviving the economy.

"I think the implementation of the economic recovery programme has been extraordinarily successful so far," a senior European diplomat said.

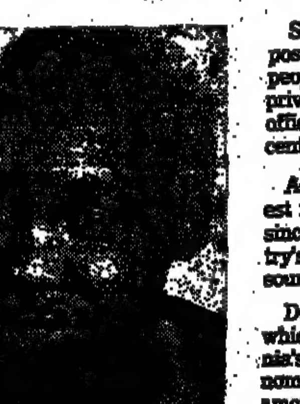
"They have got an awful lot done in the last two years without major disruption or unrest, particularly since the maize harvests have been good," he added.

However, the argument over devaluation and IMF concern over the rapid expansion of domestic credit have so far prevented the fund from approving its latest quarterly review of the economy, undertaken in July.

The hitch is holding up the disbursement of an $8m tranche of IMF funds and, more importantly, *is threatening to mar Tanzania's* reputation for sound economic management in the donor community.

However, the Finance Minister held fresh talks with the *IMF* in Washington in early September, and sources said an agreement between the two sides could be close.

The main reason for Tanzania



Julius Nyerere: criticised IMF

overshooting its credit ceiling in July for the second IMF review in succession was massive borrowing by the *state*-controlled National Milling Corporation, the sources said.

The NMC bought more maize than it could sell at profit after last year's bumper harvest. The sources *said it had run up a 7bn* shilling ($100m) overdraft with Tanzania's main bank, the National Bank of Commerce.

One government economist said NMC borrowing accounted for nearly a quarter of the National Bank's portfolio of commercial credit.

Since bank credit is virtually impossible to obtain at present, many people have resorted to borrowing privately from traders at double the official interest rates of 23 to 25 per cent, the sources said.

According to the IMF, bank interest rates should be put up anyway since they are lower than the country's 30 per cent inflation rate, the sources said.

Despite the steep price rises which have accompanied Tanzania's devaluation, Mr Mwinyi's economic reforms have been popular among ordinary Tanzanians, who are once more able to buy basic consumer goods after years of deprivation.

A few years ago, *even* essential items such as cooking oil, candles and soap were in short supply. Now they *have become freely available* throughout the country, along with a wide variety of imported luxury goods.

However, most urban employees *earn a fixed wage of 1,500 to 4,000* shillings ($20-$50) a month, and few can afford more than the bare es*sentials. In real* terms, wages are falling because, under the IMF agreement, pay rises are held to 20 per cent, 10 per cent below the annual inflation rate.

WORLD TRADE NEWS

Pilkington plans £116m India plant

BY JOHN ELLIOTT IN NEW DELHI

PILKINGTON Brothers of the UK is to set up India's first float glass plant costing £116m in partnership with Middle East and Indian companies to produce over 3,000 tonnes of melted glass a week in the northern state of Uttar Pradesh.

Technical know-how and other fees will be converted by Pilkington into an equity stake of about 5 per cent, and the company is also looking into other possible Indian projects including the *production* of ophthalmic and optical glass.

Pilkington is one of several British companies exploring tie-ups with Indian companies at a *time when the UK* has been lagging behind West Germany and the US in setting up new technical and financial collaborations.

West Germany and the US each agreed 186 new collaborations last year, compared with 180 by the UK. The US led the number of new equity stakes *with a total of* 71 compared with only 23 from the UK.

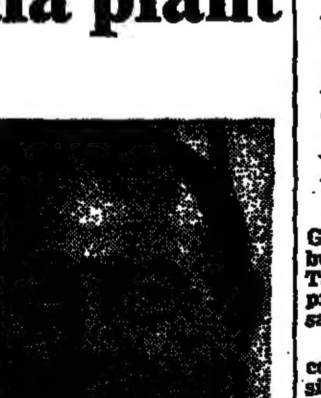
The other UK companies looking at new deals include Plessey which is considering taking an equity stake in a telecommunications manufacturing company with the Usha-PKKR group of New Delhi. Sir John Clark, chairman *of Plessey, led* a UK industrialists' team to New Delhi this week for talks *on business* prospects.

The Pilkington float glass project will be run by Continental Float Glass of Lucknow. It is promoted by a public sector company, the Uttar Pradesh State Mineral Development Corporation, which is expected ot have an equity stake of about 25 per cent.

A similar-size stake is expected to be taken by the main financial backers of the project, Gulf Development Marine Services of the United Arab Emirates, and Abdullah Ahmed Nass of Bahrain.

The plant will have a capacity of 3,150 tonnes a week and is *expected to start production in* 1990. Pilkington will design the process production line and provide training and assistance in the plant.

It already has a 40 per cent stake in a fibre glass factory, with a turnover of about Rs 200m near Bombay but sold its stake in a loss-making plate glass company about five years ago.



Sir John Clark

Glaxo builds $16m factory in Taiwan

By Robert King in Taipei

GLAXO GROUP of the UK is building a $16m *facility in* Taiwan to produce a range of prescription medicines for local sale.

The investment, which the company says is the largest single *commitment* by any foreign pharmaceutical supplier, represents the first in Taiwan *by a British pharma*ceutical concern. Located in the Hsinchu Industrial Park about an hour's drive *south* of Taipei, the facility will start turning out products for sale early in 1989.

Glaxo distributed its products in Taiwan from 1962 to 1985 through an agent. After a branch office was established that year, however, sales soared, and the company's position in the market rose from about number 35 in terms of sales to within the top 10.

The decision to manufacture *in Taiwan* came on the strength of both its rapid economic growth and the enactment of *legislation setting standard* manufacturing practices for the pharmaceutical industry there.

"We recognised that the Taiwan market was a developing one with a lot of potential. The passage of the Good Manufacturing Practices legislation, pushed through by the National Health Administration, also helped by raising the tone of the pharmaceuticals industry in Taiwan," said Mr Kevin Searle, Glaxo Taiwan's general manager.

Samsung to redouble effort to settle US patents case

BY MAGGIE FORD IN SEOUL

A SOUTH Korean semi*conductor maker, whose pro*ducts face a ban in the US, is to redouble efforts to reach agreement to continue its exports.

The US International Trade Commission (ITC) ruled on Tuesday that Samsung Semiconductor had infringed patents held by Texas Instruments, the US electronics company on three dynamic random access (D-ram) chips.

Negotiations with TI over the payment of royalties for the use of the patent were in progress, a Samsung spokesman said yesterday, and were expected to be completed within a month.

TI has already been paid *about $135m by six* Japanese chipmakers who were judged to have infringed its patents over the past year.

Should the talks between Samsung and TI fail, exports of chips worth about $60m and computers containing *the* chips worth around $100m would be affected, it is believed.

Negotiations over the level of royalty payments between the two sides have been going on for several months and have not apparently broken down. The ITC ruling *preceded* a formal September deadline 18 months after the initial complaint was filed.

● South Korea's steel and iron industry has raised its target for exports to Japan this year by 15 per cent, AP-DJ reports from Seoul.

Yonhap, the South Korean news agency, reported that the target had been raised from $670m to $770m.

The report said the target was increased after exports to Japan totalled $411.5m in the first seven months of this year, up 18.4 per cent from January-July 1986.

Industry officials said sales were benefiting from the increase in the value of the yen, which made South Korean products cheaper, and from increasing Japanese dependence on steel and iron imports.

Hainan Island to be special economic zone

HAINAN ISLAND in South China, designated a province earlier this month, is to become a special economic zone, with no taxes for foreign trade and a high level of autonomy, the China Daily said yesterday, Reuter reports from Peking.

It said foreign banks were welcome to set up offices in the province, which would be able to approve projects calling for investment of more than $30m, the limit for other provinces.

The new province will also be given more autonomy in foreign trade, finance, banking, land use and personnel, it added

Air passenger traffic boost

BY LYNTON McLAIN

INTERNATIONAL air traffic will grow enough by the end of the century, to support a fleet of up to 430 *supersonic commercial* transport aircraft, according to McDonnell Douglas.

The Pacific rim region is likely to be the fastest growing part of the world by 2000, when air passenger traffic is expected to grow to account for 40 per cent of the world's air traffic compared with 19 per cent at present.

This volume of demand would create a demand for high speed air travel, the company forecast.

McDonnell Douglas is assessing the economic feasibility of these high speed aircraft in a *programme* sponsored by the National Aeronautics and Space Administration. The study is to be *completed next year.*

The size of the fleet is likely *to depend* on the speed of the aircraft, Mr Donald Graf, the programme manager for high speed commercial transports for the Douglas Aircraft company said.

He told a group from the Society of Japanese Aerospace Companies that the aircraft could fly at over twice the speed of sound.

Development in the Pacific region would be led by high growth rates in South Korea, the People's Republic of China, Taiwan, Thailand, Malaysia and Hong Kong and the region might have economic power comparable to that of the US/Canada and Western Europe by 2000.

High speed commercial transports could cut the travel time between Los Angeles and Sydney, Australia, from the current 13 hours to four to six hours.

EC warns Seoul over trade

BY QUENTIN PEEL IN BRUSSELS

MR WILLY DE CLERCQ, the EC Trade Commissioner, has warned South Korea that it could lose existing trade privileges under the Generalised System of Preferences (GSP) if European manufacturers are not granted the same patent protection as US exporters.

The dispute over whether EC producers will be granted a similar or equivalent deal to US manufacturers to protect them against counterfeiting was raised to Ministerial level when Mr De Clercq met Mr Kwang Soo Choi, the South Korean Foreign Minister, in the wings of the UN General Assembly meeting in New York.

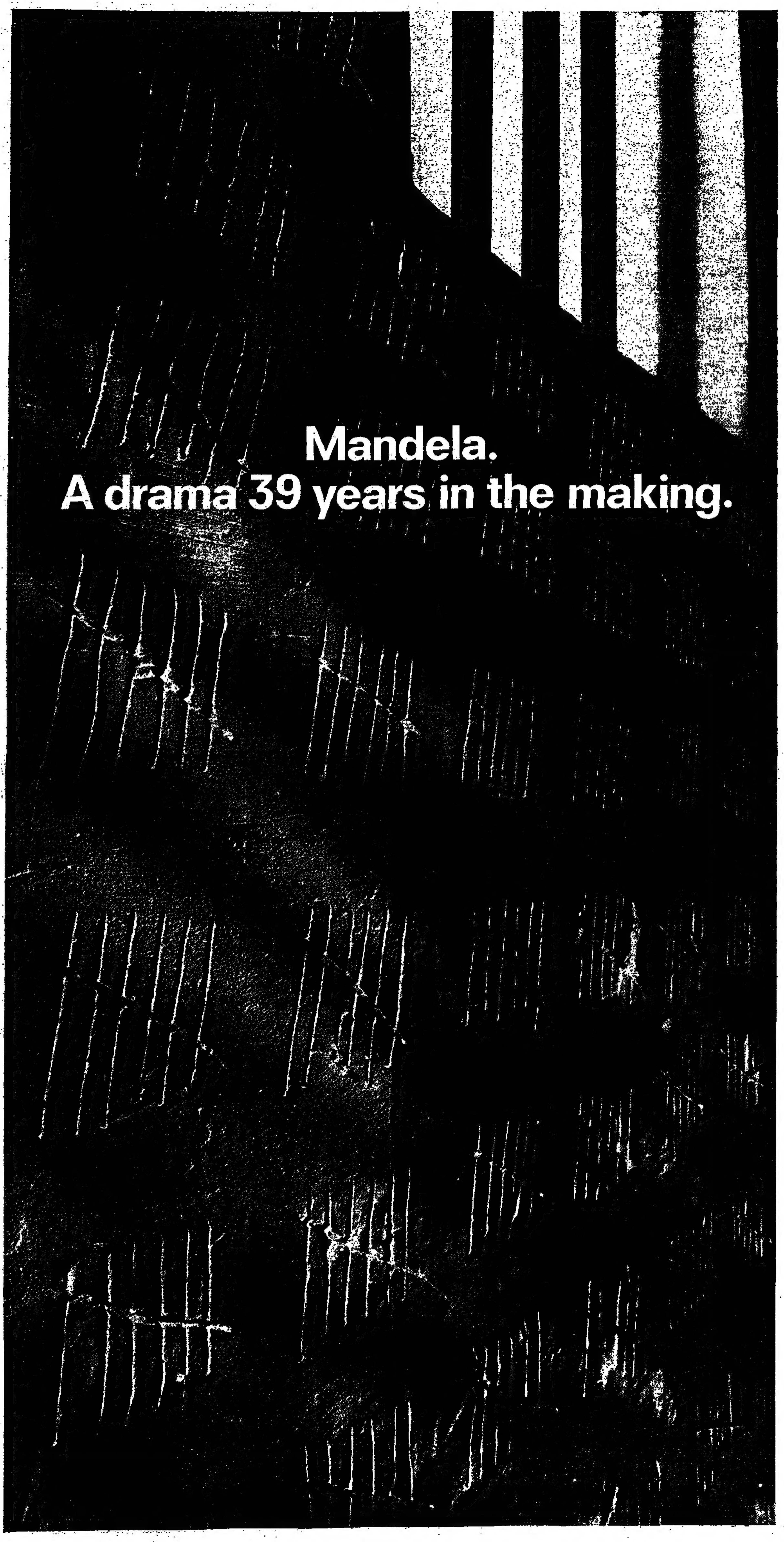
He spelt out the tacit threat made by EC Foreign Ministers at their last Council meeting—that a failure to reach "positive results" in the negotiations on patent laws scheduled for November will result in the EC taking "appropriate measures" in retaliation.

Mr Kwang insisted that his government was ready to grant the European Community the same treatment as that won by US manufacturers—which provided retroactive patent protection going back between five and seven years.

There is concern in Brussels that the negotiations could drag on unless political pressure is increased.

Mr De Clercq also delivered a stern warning against the mood of trade protectionism in the US, in a speech to the Belgian-American Chamber of Commerce.

"The international community is relying on President Reagan to avert dangerous legislation both for the international trading system, and for the US," he said. Japan had also yet to accept fully "the responsibilities that her economic strength implies."



In 1948 blacks and whites in South Africa were segregated as apartheid became state policy.

A young black lawyer supported a defiant campaign of protest – and still pays the price today.

Nelson Mandela has spent 23 years of his life separated from his family in prison.

He and his wife Winnie are at the heart of the struggle for black freedom in South Africa.

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Philip Saville directed Mandela.

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DAI-ICHI KANGYO BANK

DKB ECONOMIC REPORT

September 1987: Vol. 16, No. 9

Inventory adjustment in Japan enters its final phase

Inventory adjustment has shown steady progress since the second half of last year and is now entering its final phase (Fig.). The current recovery scene is characterized that shipment of manufactured goods has increased much slower than the previous scene though inventories have declined as fast as the previous.

In the previous business recovery deliveries had resumed rapidly, supported by export growth. However, a recent growth in deliveries has become sluggish since exports remain weak (4.9% drop during the April to June period on a year-to-year basis) due to accelerated appreciation of the yen from March to May. Therefore, the ongoing progress in inventory adjustments is attributed to continuing production restraint rather than an increase in shipment.

Mining and manufacturing production is showing ups and downs with growth rates of 0.0% from October to December 1986 and 1.4% from January to March 1987 over the period, followed by a 0.5% drop during April to June 1987.

However, the following factors are seen to encourage inventory investments, from the aspects of both demand and prices: 1) Domestic demands such as personal consumption and housing investment are expected to expand at a good pace. In addition, the supplementary budget approved in July calls for an additional public investment of 5 trillion yen during the second half of the fiscal year. 2) A large-scale reduction in income tax is anticipated in the second half of the fiscal year. 3) Assuming that the future yen rate stabilizes at the 150 yen-per-dollar level, exports will probably not decline further. 4) Signs of recovery have been observed in commodity markets, reflecting the ongoing progress in inventory adjustment and economic recovery. Consequently, a gradual increase in inventories is expected to underpin the general business recovery.

Moreover, the outlook for equipment investments also appears a little favorable. Private demand, excluding the electricity and shipping sectors, is considered a significant indicator of the private equipment investment. According to the "Machinery Order Statistics," private demand exhibited a slight growth of 0.8% during March to May on year-to-year basis. This represented a recovery from the drops of 11.9% and 1.1% during October to December 1986 and January to March 1987, respectively.

Thus it is predicted that the domestic business will achieve sufficient recovery with the support of the following factors: 1) ongoing progress in inventory adjustment; 2) steady growth in the demand of the household sector, such as personal consumption and housing investment; 3) the 6 trillion yen emergency economic measure to be implemented during the second half of the fiscal year.

Employment hits bottom

Employment is gradually showing slight signs of recovery. The seasonally adjusted demand-supply ratio of the labor force, indicating the difficulty of finding employment, has recorded successive increases over the five months since February. In addition, non-scheduled hours worked has recorded the first positive signs of growth in sixteen months since February 1986 with the growth rate of 1.2% in June over the previous year. The 0.1% growth recorded by the manufacturing sector is especially significant as it represents the first positive growth in 22 months since August 1985.

However, the drastic change in the economic structure as a result of the yen's appreciation is also continuing, and increased unemployment due to the imbalance in labor force demand/supply remains serious. The seasonally adjusted unemployment rate has remained at the high levels of 3.2% in May and 3.0% in June. Thus, for the time being, employment conditions will be rather weak along with economic structural adjustment in spite of business recovery.

Commodity prices showing signs of a slight rise.

In these circumstances, commodity prices are showing signs of a slight rise after having completely levelled off.

Wholesale prices still indicate continuing declines of 1.6%, 0.5%, and 0.5% in October to December 1986, January to March, and April to June 1987, respectively, over the period. However, a noteworthy shift emerged in June with a 0.5% rise over the month. This is attributed to the increase in import/export prices reflecting the firm rise in crude oil prices as well as a slight depreciation of the yen.

Consumer prices turned to show a 1.2% rise during April to June over the period after no change during October to December 1986 and a drop of 0.8% during January to March 1987. While the sharp rise in perishable food prices is seen to be the major cause, the levelling out of wholesale prices seems to have had some influence in the rise in CPI.

Commodity prices seem to show moderate rises after having levelled off. This is due to the gradual change in the trends of the appreciated yen and the low crude oil prices, which had supported the drop in commodity prices, as well as the rebound in market conditions of construction-related commodities.

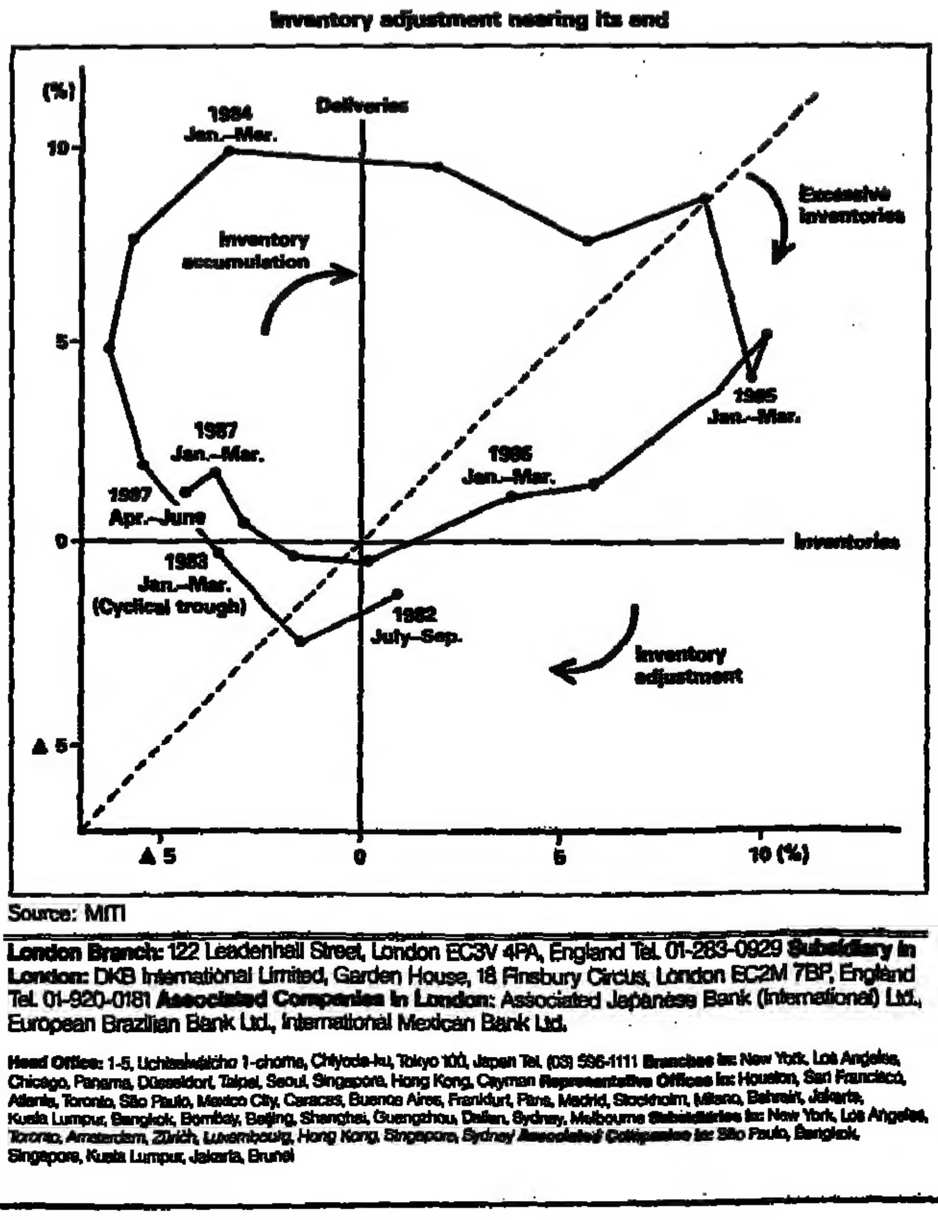
Monetary policy considers prices.

In addition to a slight rise in commodity prices, a large-scale fiscal expenditure is scheduled in the second half of the fiscal year. Thus, from the perspective of the fiscal-monetary policy mix, when the economy enters a phase of recovery, there is a possibility that the major goal of monetary policy will shift from the business climate recovery to a commodity prices stability.

In fact, interest rates have been rising in the long-term bond market expecting in the business recovery and pick up in commodity prices accompanying the policy conversion. In addition, money supply has been showing a high growth rate of 10.0% during April to June over the previous year, which is considered to attribute to future price increase. In these circumstances, industrial sector as well as financial institutions are trying to raise long-term funds in advance.

It is a new scene for the Japanese credit market that interest rates have sensitively responded to the initial slight changes in business condition and commodity prices.

Inventory adjustment nearing its end



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The next DKB monthly report will appear Oct. 26.

APPOINTMENTS

Top Lloyds Bank post

Mr John Hatchinson has been promoted to assistant general manager (personal banking) in LLOYDS BANK UK retail banking from October 1. He will assume resonsibility for personal banking services and for the UK marketing department, including its support services for other business sectors within the bank. He will have resonsibility for plastic card services and will also control branch design experiments and the home banking launch due early next year. Since 1984 he has been divisional manager in UK retail banking and for the past two years has had various responsibilities in the personal banking sector.

*

Mr G.Wood - Hill has become managing director of RTS INTERNATIONAL and **Mr T.Ashby** its marketing director.

*

GEORGE PAYNE AND CO, a subsidiary of Findlay, has appointed **Mr Paul Ray** its finance director. He was financial controller.

*

Sir Geoffrey Allen, head of research and engineering at Unilever Plc, has been appointed a non - executive director of COURTAULDS. **Mr Richard Lapthorne** has joined the group executive and **Mr Gordon Campbell** has become a member of the task force concerned with the development of the group.**Sir Peter Thornton**, a non - executive director, has retired.

*

Mr Tony Purkis has been made managing director of CROSBY DOORS, a Meyer International subsidiary. He joins from Ruberoid Building Products where he was managing director.

*

Mr Richard C.Jackson has been made administrative managing director and chief executive officer of L.F.ROTHSCHILD INTERNATIONAL LTD. He was previously a division executive with Citibank in London responsible for all its investment banking activities in Continental Europe.

*

Mr Simon Davey, formerly senior audit manager at Deloittes Haskins and Sells, is to join CROWN TELEVISION PRODUCTIONS as director of finance and company secretary.

*

Mr Philip Mendesca has become finance director of POWER DISPLAY. He is also finance director of Power Equipment.

*

Mr Neil Quinn has been appointed sales director of APOLLO FIRE DETECTORS, a subsidiary of Halma. He was sales and marketing director of Wright Rain.

*

Mr Bruce Wright has joined the main board of MEYER INTERNATIONAL as finance director. The appointment is made in anticipation of the retirement in 1989 of **Mr Colin Craigie**, whose principal task will be to assist the chairman in planning the further development of the group. Mr Wright is director of financial planning and control at Grand Metropolitan, having previously been with Courage Breweries and Imperial Brewing and Leisure as finance director.

*

Mr Douglas Sankey is to succeed **Mr Peter Cooke** as managing director of POWELL DUFFRYN TERMINALS, the group's bulk liquid storage subsdiary, on February 1. He will become deputy chairman of Powell Duffryn on that date.

*

EXCESS INSURANCE has appointed **Mr David Macmillan** as personnel director.He has also joined the board of London and Edinburgh Life Assurance Co.

*

Mr C.J.Farrow has become a member of the board of the LONDON METAL EXCHANGE. He is a director of Kleinwort Benson.

*

ALEXANDERS ROUSE,the international futures and options broker - dealing arm of Alexanders Laing & Cruickshank,has made **Mr Alan Reguelro** director of its capital markets division. He was previously manager of institutional futures at Bache Securities in London.

*

Mr Christopher Wigan is to join the board of STANDARD CHARTERED BANK and will take up residence in Hong Kong during November. He is a director of N.M.Rothschild & Sons.

*

Mr Richard Andersen will become financial director of DATASTREAM in October. He has been in a similar role at Extel Financial.

*

HAYS DISTRIBUTION SERVICES has appointed **Mr Frank Hawkins** to the newly - created position of marketing and sales director.

*

PLATON INTERNATIONAL has appointed **Mr Edwin Menger** as its financial director. He has been involved in the affairs of Dicoll Electronics, a Platon subsidiary, since 1979 initiating and implementing financial control and forward planning activities. **Mr Brian Collier**, the founder of Dicoll Electronics ion 1969, has been appointed group managing director. He was appointed to the board in September 1985 and became joint managing director earlier this year.

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At LLOYDS DEVELOPMENT CAPITAL **Mr Michael Joseph** has been made an non - executive director, responsible for the company's new Birmingham office which is due to open in November.He was previously an investment director with 3i in London.

*

EVERED has appointed **Mr Bob Baldwin** a director with responsibility for the industrial division. He has been responsible for the integration of London and Northerninto the group. **Mr Roy Kettle**, a non - executive director, has assumed executive respinsibility for the construction/quarry products division where he was recently appointed chief executive.

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INFOTRON SYSTEMS CORPORATION has appointed **Mr Peter Lemas** as managing director of its UK subsidiary Infotron Systems Ltd. He was national sales manager.

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Mr Peter Redfearn, general sales manager, has been made sales director of FAMOUS NAMES.In this new position he will be responsible for UK domestic sales of FNL's branded confectionery lines and for own label activities. His appointment will enable **Mr Edward Dixon**, former sales and marketing director, to become marketing director.

Satellite project recruits top Saatchi executive

BY RAYMOND SNODDY

BRITISH SATELLITE Broadcasting, the UK's £625m direct broadcasting by satellite project, has appointed Mr Anthony Simonds-Gooding, a top Saatchi & Saatchi executive, as its first chief executive.

Mr Simonds-Gooding, chief executive of the communications division of the advertising and consultancy groupis a former group chief executive of Whitbread,the brewer.

His impending departure comes at a difficult time for Saatchi & Saatchi as the company plans to make a major move into financial services , probably by acquisition, before the end of the year.

The BSB announcement coincided with immediate management changes at the advertising group. Mr Victor Millar, who came from consultants Arthur Andersen a year ago to build up Saatchi & Saatchi's management services division, will now be in charge of both Saatchi divisions.

It is believed that Saatchi & Saatchi made strenuous effort to persuade Mr Simonds-Gooding from leaving. The Saatchi share price closed at 582p, down 2p on the day and down nearly 100p since July.

Mr Simonds-Gooding, who is 50, will now have the task of making a success of the world's first private-sector DBS service, which plans to launch three new national channels of television in the UK in autumn 1989. A high power satellite which will broadcast direct to dish aerials on individual homes is already being build by Hughes in the US.

Mr Simonds-Gooding said yesterday: "I am enthusiastic and confident about the establishment of BSB as the major competitive force in British television."

Mr Richard Branson, chairman of Virgin and one of BSB's founder shareholders, said yesterday: "Mr Simonds-Gooding was our first choice and we are delighted to get someone of his stature and strength."

The other BSB shareholders, who have already put up £225m, include Granada, Pearson (publishers of the Financial Times) the Bond Corporation of Australia and Reed International.It is believed that Mr Simonds-Gooding, a former Unilever executive with a background in marketing and advertising, has been offered a salary package worth more than £200,000.

Recent tasks at Saatchi & Saatchi have included the integration of acquisitions in the US such as the advertising agency Ted Bates.

In moving to BSB Mr Simonds-Gooding is, ironically, leaving one potential satellite television project for another. Saatchi & Saatchi is one of five organisations looking at the possibility of launching two new channels of television in the UK next year aboard the Luxembourg private-sector satellite Astra.

Men and Matters, Page 12

Seamen's union to challenge agencies

BY CHARLES LEADBEATER

THE NATIONAL Union of Seamen plans to set up a crewing agency in the Isle of Man, to compete with private manning agencies which provide crews to shipping companies which operate outside the General Council of British Shipping's established labour recruitment system.

The union's plan is one of the most innovative responses yet by a union in the face of employers' pressure for labour flexiblity.

Maxwell takes 7.7% stake in City bank

By David Lascelles
Banking Editor

MR ROBERT MAXWELL, the publisher, has emerged with a 7.7 per cent stake in Singer & Friedlander, the London merchant bank which recently regained its independence as a quoted company.

The stake, which Mr Maxwell acquired through his links with Singer's previous owners, was confirmed yesterday as Mr Maxwell also increased his stake in Guinness Peat, the financial services group which includes Guinness Mahon, another merchant bank.

Mr Maxwell is a shareholder in Britannia Arrow which floated off Singer to Gilbert House Investments, the property company run by Mr Nigel Wray.

He acquired his stake by buying up unused rights and underwriting a portion of a £134m rights issue made as part of Singer's flotation. The cost of his stake is about £18.5m.

Mr Wray, deputy chairman of Singer & Friedlander, the name now adopted by Gilbert House, said last night that he was pleased to have a major shareholder who believed the group was worth backing. "I very much hope he will be a long-term investor," he said.

A spokesman for Mr Maxwell said the investment had been made "because we are interested in financial services."

Singer is one of the City's smallest accepting houses, and its independence ends a period of 10 years when it has had three different owners.

Mr Maxwell said that he was now prepared to make an offer for Guinness Peat provided it was recommended by the group's board. He disclosed that he had increased his stake by 0.4 per cent to 10.74 per cent.

The Guinness Peat board, which met yesterday, said that they had not received any offer from Mr Maxwell, but they would consider one if it was forthcoming.

Mr Maxwell is challenging Equiticorp, the New Zealand financial services group, who are making a bid for Guinness Peat

This includes 2 per cent tendered yesterday by Mr Joel Leff, a member of the Guinness Peat board, who said he would rather accept Equiticorp's offer than have the company continue in a state of uncertainty

Tunnel contributes to 41% increase in construction orders

BY ANDREW TAYLOR

CONSTRUCTION orders won by contractors in Great Britain jumped by a staggering 41 per cent in the three months to July, compared with the corresponding period last year, according to government figures published yesterday.

The figures, published yesterday by the Environment Department, were inflated by the first inclusion of building and civil enginering orders for the Channel tunnel project.

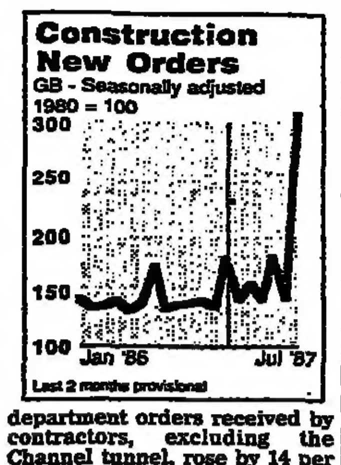
The main construction contract for the tunnel was let last year but was not included in the government figures until July when the Channel Tunnel Bill received royal assent. The value of the British works including fees for the contractors is understood to be around £1.4bn.

So far just over £100m has been committed or spent on the British works by Transmanche Link, the consortium of five British and five French contractors which won the contract to buld the 31-mile rail tunnel.

Whether the tunnel goes ahead and further works are carried out will depend upon the outcome of a £750m international share offer planned by the UK-French Channel tunnel group for November.

Construction companies, even if the tunnel does not proceed, will still have enjoyed one of their best years for British orders and output for more than a decade.

According to the environment department orders received by contractors, excluding the Channel tunnel, rose by 14 per cent compared with the corresponding three months last year.



Mr David Trippier, Minister for Inner Cities and Urban Renewal, said July new orders of £1.6bn, excluding the Channel tunnel contract, were the highest figure since monthly statistics were introduced in 1979.

The office building boom in the City of London and south-east England helped push up private commercial orders by almost a third during the three months to the end of July compared with the same months last year.

Orders for the private industrial sector tripled over the period.

Trade union inquiry team excludes miners' leader

BY DAVID BRINDLE, LABOUR CORRESPONDENT

THE INQUIRY team set up by the Trades Union Congress to review the future of trade unionism will include one leader of each of most of the bigger unions - with the notable exception of the miners.

A move yesterday to draft into the team Mr Arthur Scargill, president of the National Union of Mineworkers, failed to win any backing on the TUC General Council.

The move came from Mr John Macreadie, the hard-left deputy general secretary of the CPSA civil servants, newly appointed to the general council. He and Mr Scargill are expected often to take a common line in debate.

Although Mr Scargill has been a leading critic of no-strike deals, one of the key issues to be covered by the TUC inquiry, his exclusion from the review team became almost automatic once the formula for its composition was agreed.

This formula was that the team should be based on the surviving 1986-87 members of the TUC's Finance and General Purposes committee, but that no union should have more than one representative.

UK NEWS

Parkinson sees no conflict over nuclear policy

BY MAURICE SAMUELSON

MR CECIL PARKINSON, Energy Secretary, yesterday sought to deny reports that privatisation of the electricity industry could conflict with the Government's policy of building more nuclear power stations.

In his first major statement on nuclear policy since assuming his present post, Mr Parkinson said there was no change in the Government's determination to expand nuclear power as part of its quest for diversity of fuel supply. He also declared that privatisation of power stations would not impair the "safety culture" of the British nuclear industry.

His comments follow speculation that Britain's nuclear power programme might peter out because of hesitation by private investors to accept the long pay-back periods involved in nuclear power stations.

If that were to happen, the reliance on coal-fired power stations would increase still further as nuclear plants were phased out.

However, in a speech to the International Atomic Energy Agency in Vienna, Mr Parkinson said the Government remained as committed as ever to its nuclear policy, which he said was based on three arguments:

- The need for diversity in generation to ensure security of supply;
- The need to take account of the fact that fossil fuels were finite;
- The need to work towards cheaper ways of producing electricity.

"These arguments will have just as much force in a commercial environment as they do elsewhere," he said.

Mr Parkinson, pledging that safety standards would be upheld, said: "Safety is not determined by who owns a power station - the state or a private company. It is determined by the people, the design and by the effectiveness of the regulators."

Earlier, he said that although no decision had been taken on the future structure of the electricity industry, it was "highly unlikely" that it would be sold as a single monolithic company.

British Coal fears, Page 7

US group to resume lathe production

BY NICK GARNETT

A LEADING US lathe manufacturer, which pulled out of UK production five years ago as part of the general retrenchment of the machine tool industry, is to resume assembly in Britain.

Warner & Swasey, part of the Cross & Trecker machine tool group, will begin producing a medium-sized lathe model in small numbers towards the end of the year at its existing sales and service site at Telford. This will be followed by a further turning machine model next year.

Mr Dick Besser, Warner & Swasey vice-president and general manager of the company's turning division, said that if the venture was successful, Telford was likely to become a substantial manufacturing site.

The company closed its factory at Halifax, West Yorkshire, in 1982 at a time of widespread cutbacks and plant closures by the machine tool industry in both Britain and the US.

The assembly operation at Telford will involve building a lathe model known as the WSC6, costing about £40,000 each, at the rate of two a month. That compares with 450 machines a year once made at Halifax.

Only a handful of jobs will be created. Base castings will be imported from Warner & Swasey's joint venture company in India and bearings, ballscrews, sheet metal work and other items will be sourced in the UK.

Using Japanese controls, the machine will have a European Community content of 55 per cent rising to more than 80 per cent when West German-made controls are fitted.

The lathe is already sold in the UK, competing with machines made by British companies such as TI and Beaver and machines to be made at the plant recently opened at Worcester by Yamazaki of Japan.

Mr Besser said the decision to begin machine assembly at Telford was part of the company's global approach to recouping the market share lost to the Japanese and a factor seems to be last year's voluntary restraint agreement on machine tool imports from Japan to the US.

The WSC8 machine sold in the US is made in Japan by a joint venture business, Murata Warner & Swasey. Exports from that company to the US will be restricted next year under the voluntary restraint arrangement and Telford might eventually supply the US market.

BR director appointed to attract private capital

BY KEVIN BROWN, TRANSPORT CORRESPONDENT

THE GOVERNMENT yesterday appointed the first director of the British Railways Board to hold specific responsibility for private sector initiatives.

The promotion of Mr John Welsby, previously BR managing director, procurement, underlines ministers' determination that private capital should be encouraged.

Full privatisation of the railway system has been ruled out in the short term, probably until the next parliament, but there has been increasing involvement of private capital in ancillary areas over recent years.

This has included the use of privately owned rolling stock, the privatisation of a number of Travellers Fare station catering outlets.

The appointment of Mr Welsby is one of the board changes which have followed the announcement of the retirement of Mr Geoffrey Myers, 57, one of BR's two vice-chairmen.

Mr Paul Channon, Transport Secretary, said Mr Myers would be succeeded by Mr David Kirby, currently joint managing director, railways. Mr Kirby will be replaced by Mr David Rayner, currently eastern region general manager.

Men and Matters, Page 28

Government outlines future grants system

BY RICHARD EVANS

DETAILS of simplified proposals for paying government grants to local authorities, which will make future community charge bills easier to understand, were published by the Environment Department yesterday.

A booklet, Paying for Local Government, explains how the grant system will work when the Government's rate reform proposals are introduced in 1990. A prime purpose is to make clear the relationship between council spending and the community charge and other forms of revenue.

There will be one government grant, to be called the revenue support grant, in place of the present needs grant and resources grant. It will compensate for differences between areas in the need to provide services and will provide additional support for the services in proportion to local population.

The purpose is to ensure that the community charge will be the same in any two areas receiving a standard level of local authority services. Each £1 per head of higher or lower spending would increase or decrease the charge by £1.

The revenue support grant will be paid into a "collection fund" run by each district or borough council on behalf of all authorities in an area. Income from business rates and the community charge will be paid into the fund and the requirements of precepting authorities will be met from it.

Paying for Local Government: The New Grant System. Department of the Environment and Welsh Office. HMSO.

Linen Bank sells stake

BY DAVID LASCELLES, BANKING EDITOR

BRITISH LINEN Bank, the merchant banking subsidiary of the Bank of Scotland group, has sold its 37 per cent stake in Scottish Unit Managers, the Edinburgh-based fund management group.

The purchasers are SUM's other chief shareholders, Martin Currie and Aberdeen Fund Managers. The sale price is not being disclosed.

The sale suggests that Bank of Scotland is preparing to be an independent supplier of financial services under the "polarisation" requirements of the Securities and Investments Board.

The alternative, to act as an outlet for its own investment products, is unlikely, since it owns neither a life insurance company nor, after this sale, a unit trust business.

Bank of Scotland is expected to announce its polarisation decision today.

Demand poor at gilts auction

By Janet Bush

THE BANK of England's second experimental auction of UK government bonds succeeded yesterday in selling the whole issue but demand seems to have been poor.

This left the market as a whole looking rather shaky prior to today's publication of the August balance of payments figures.

The sale of £800m of 9 per cent Treasury loan stock 2008 "A" attracted bids worth £1.2bn, so covering the auction about 1½ times. This suggests lower demand than for the short-dated gilts sold in the Bank's first auction in May which was covered 2¼ times.

US auctions, on which the Bank's experimental series of three issues is loosely modelled, normally get covered about 2½ times. The comparative paucity of bids at yesterday's auction partly reflects the lack of an underwriting commitment by gilt-edged market makers at a time when the market has not been particularly confident.

Retail demand at yesterday's auction was reported to have been patchy, with primary dealers partly attributing this to the closure of Japanese markets for a holiday.

The partly paid price of the auction stock started falling as soon as the deadline for bids passed and weakened throughout the rest of the session. The stock, having touched a partly-paid price high of more than 55 in early trading in the "when issued" market, then slumped to around 54⅝.

Some dealers said the market could face some indigestion in the aftermath of the auction as market makers had been left with stock on their books in the absence of retail buyers.

Others, however, said any retail demand which had emerged had been seen in the "when issued" or grey market in the stock the week before the sale. They said some market makers had taken short positions in the 2008 stock and had merely filled in these positions at the auction itself.

Gilts overall ended yesterday about 5/8 point lower.

Forecasters optimistic on inflation

By Janet Bush

INDEPENDENT and City economic forecasters remain optimistic that retail price inflation will fall to 4 per cent by the year's end and appear to be a little more sanguine about price trends next year.

The Treasury said yesterday that the average of 11 independent forecasts was for a 4 per cent inflation rate in the last three months of this year, rising to 4.6 per cent by the end of 1988.

In August the average forecast was a rise to just below 5 per cent by the end of next year.

An average of nine forecasts by City economists is slightly less optimistic, predicting a 4.8 per cent annual inflation rate by the fourth quarter of 1988.

Views on trends in the current account also seem to have become more optimistic with the average of the latest City forecasts expecting a deficit of only £800m this year and independent forecasters looking for a £1.1bn shortfall. Both sets of forecasters expect a current account deficit of just over £2bn in 1988. GDP growth is expected to run at well over 3 per cent this year, slowing to 2.4 per cent next year.

Forecasters expect only a modest decline in the official unemployment total from around 2.85m in the last three months of this year.

The average of independent forecasters suggests a public sector borrowing requirement of £3.4bn, undershooting the £4bn target. City economists are even more optimistic with an average forecast of a £2.7bn PSBR this year.

City economists expect short-term interest rates to remain stuck at an average 9.7 per cent for the rest of this year and the whole of 1988. Independent forecasters expect a decline to 9.5 per cent by the end of this year from current 10 per cent base rates and then to 8.9 per cent by the end of next year.

New employee approach urged

BRITISH companies must treat their employees like individuals rather than factors of production if an enduring enterprise culture is to take root, according to the Institute of Directors, which yesterday launched a new agenda for business.

The institute acknowledged that the Government had mostly done what it was asked to do. It was therefore now up to business leaders to follow through.

Sir John Hoskyns, director-general, said: "The enterprise culture does not happen as a result of exhortation, but by actions, events and particularly the power of example."

David Thomas on the fight to beat vandals and improve the availability of payphones

BT plans to reverse the callbox charges

"NO COUNTRY wants to be top of the league of vandalism, but we're probably towards the upper end." So says Mr Roger Gilbert who, as national manager of BT's payphone service, has one of the least enviable jobs in British industry.

Just how tough is Mr Gilbert's job was made clear yesterday with the publication by the Office of Telecommunications of a scathing report on the callbox service.

"The findings of the survey present a disturbing picture and BT's level of performance in providing callbox services is not acceptable," commented Professor Bryan Carsberg, Oftel director-general.

Oftel surveys between April and July this year showed that, nationwide, 23 per cent of callboxes were out of action, with the London results worse still at 38 per cent.

Vandalism and theft account for about a third of these faults, according to BT, which spends more than half its callbox maintenance budget on repairing this trail of destruction.

Methods of attacking callboxes range from the straightforward - removing the whole mechanism, smashing the handsets, burning the keypads - to the more subtle: attempting to block the coin mechanism and then recover the coins that build up in the blocked machine.

Professor Carsberg is in little doubt that Britain has more of a problem with vandalised callboxes even than the US, supposedly a much more violent country. "It's a very odd thing why we do worse on phone boxes than other countries," he says.

Even in Britain there are big variations. BT says it is virtually impossible to keep callboxes working in parts of Liverpool, but Manchester consistently achieves 90 per cent availability rates - the target BT wants to hit nationally by next April.

Since most of the vandals are teenagers, BT has gone back to the roots of the problem. It has briefed the police to explain to primary schoolchildren that working callboxes can be essential in emergencies. It has commissioned a film for secondary schools from Mr Phil Redmond, producer of the soap series Brookside, which features a pop band missing a key interview and a girl being stood up because a callbox is out of order.

It has also invested £160m in modernising callboxes with equipment intended to be more vandal-resistant. Yet Oftel found vandalism was only part of the story. "Many of the callboxes that could not be used appeared to have nothing wrong with them except for full coinboxes or other faults not associated with vandalism."

Professor Carsberg is proposing three basic remedies:

More competition. He has received an outline application from Mercury Communications, BT's rival, to run its own callboxes. Professor Carsberg said yesterday he would be able to decide whether to give Mercury the green light within weeks of getting a full application.

Oftel is also studying how suppliers other than BT could rent payphones to private premises such as hotels and might recommend that other companies could operate callboxes by leasing lines from BT or Mercury.

Surveys. BT has agreed to joint surveys with Oftel of the callbox service, to be published monthly, starting in November.

Professor Carsberg says he will take further action - which could mean including an element relating to callbox service in the formula controlling BT's price changes - if service has not improved significantly after a year.

BT is also likely to argue that some sort of allowance is made for its provision of callboxes on social grounds. The company has removed only 14 of the 7,000 call boxes that take less than £185 a year since privatisation. Overall, the 78,400 callbox network lost £39m on turnover of £184m last year.

Management change. BT has anticipated a thought voiced by Professor Carsberg yesterday: "I believe that BT's performance can be improved by greater managerial effort and a tightening up of procedures."

Mr Bett is preparing a paper for BT's board next month on options for changing the way BT manages its callboxes. A possibility is the creation of a specialist, centrally managed division dedicated to callboxes.

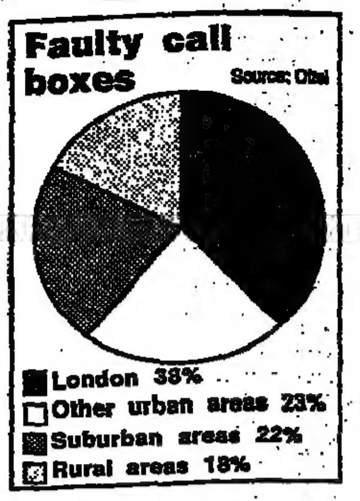
One strand of thinking is that not enough attention has been given to keeping the boxes in running order because at present they are just one among the many responsibilities of BT's district general managers.

Reflecting a fault which some people think runs throughout the company, the emphasis seems to have been too much on carrying out huge new investments and not enough on the less glamorous task of keeping existing equipment in working order. This is reflected in the Oftel finding that 17 per cent of London boxes were out of order for more than 21 days.

Mr Bett says that BT is now fully aware of how crucial the callbox service is to BT's public image. The 79 per cent of people in the AB socio-economic categories who, according to the Oftel surveys, seldom or never use a callbox, tend to damn the whole of BT if there is no phone box available on those rare occasions they need one.

The callbox service is for BT, in the words of Mr Bett, "a key image maker."

Call of the wild: a working callbox on the Isle of Rum



Staff action may hit Labour conference

BY JOHN HUNT

NEXT WEEK'S Labour Party Conference at Brighton is under threat of disruption by the party's staff following an angry meeting at party headquarters in Walworth Road, south London, yesterday.

The staff will meet today to consider industrial action - including an all-out strike - in protest at the plans to make redundant 40 of the 150 staff at the headquarters and in the regions.

The decision to press ahead with the staff economy package was confirmed at a meeting of the party's national executive committee yesterday. The committee was divided on the issue, with 22 approving the cuts and seven left-wingers, including Mr Dennis Skinner, voting against.

The dispute overshadowed the decision by the committee to adopt the revisionist policy document, Moving Ahead, for presentation to the party conference.

There was also an acrimonious exchange between Mr Neil Kinnock, the party leader, and left-winger Mr Tony Benn, over a hard-left restatement of socialist aims which Mr Benn wanted the committee to adopt.

The economies would mean that Labour Weekly, the party newspaper, would go, but it was decided to have another look at the case for reprieving New Socialist, the party magazine.

Mr Andy Bevan, the staff convenor, made representations to the NEC, together with other officials from the Transport and General Workers Union, Sogat, Apex (the clerical workers' union) and the National Union of Journalists. The unions maintain that the party is in financial surplus but Mr Larry Whitty, general secretary, says it is facing a deficit.

Mr Bevan said afterwards that the unions were being treated in a "contemptible fashion. This time it is serious. We are not playing any more."

However, Mr Kinnock insisted afterwards that the cuts were necessary to prevent insolvency. Asked if it would mean a staff strike at the time of the party conference he said: "We will have to wait and see." He still hoped for an amicable settlement. Mr Kinnock declared that Mr Benn's paper in no sense carried the approval of the Labour Party.

The official policy document, Moving Ahead, was adopted by 20 votes to four. It calls for a drive to win suport for a clear and popular programme of democratic socialism. It must ensure that policies meet the needs and aspirations of the British people today and take full acount of the social and economic changes to the 1990s.

Owen's new grouping finds seven trustees

BY PETER RIDDELL, POLITICAL EDITOR

SEVEN BUSINESSMEN have agreed to become trustees of the Campaign for Social Democracy, the group headed by Dr David Owen, the former leader of the Social Democratic Party, which opposes a merger with the Liberal Party.

The names will be formally disclosed in a letter which Dr Owen plans to send out next week to supporters of a continuing separate social democratic group. It is believed there are more than 5,000 supporters. The aim is show the extent of financial backing for the group.

The trustees of the campaign will include the two existing trustees of the SDP: Mr David Sainsbury, the finance director of the Sainsbury supermarket group, and Sir Leslie Murphy. Their involvement has provoked criticism from leaders of the pro-merger group who believe they should resign as trustees of the SDP.

The other trustees of the campaign, most of whom are personally wealthy, include Mr George Apter, who is involved in the motor trade; Mr Parry Mitchell, who recently sold his computer leasing company; Mr Eric Wolfson, a composer of light music; Mr John Boyle who runs a travel group; and Mr David Astor, a close ally of Dr Owen and a member of the Astor family.

All these people have been closely involved with the SDP and Dr Owen for some time, and many in cases have been substantial backers of the party. Their decision to back Dr Owen removes a potentially important source of finance from the new merged Liberal and Social Democratic Party, expected to be set up next year.

MoD commissions studies of new class of assault ship

BY LYNTON MCLAIN

THE MINISTRY of Defence has awarded contracts to three UK warship yards for feasibility studies into the design of a new class of ship for the Royal Navy.

The designs are to be for ships which could replace the Royal Navy's fleet of two assault ships, HMS Fearless and HMS Intrepid and could lead to orders in the early 1990s for "landing platform dock" vessels, worth possibly over £100m each. These would have platform decks to take assault helicopters and internal docks to take landing craft.

The contracts, worth more than £1m each, were awarded yesterday to three partnerships, led by the three warship yards.

Swan Hunter Shipbuilders, the Tyneside company bought by its management from British Shipbuilders last year, was awarded a contract for a study to be made in conjunction with Ferranti, the UK defence electronics company.

The two companies were awarded the previous study into extending the life of Fearless and Intrepid, as an alternative to buying new ships. This study is with the MoD. It will be evaluated against the latest studies into designs for new ships.

The second partnership involves the VSEL Consortium, bought by management and floated on the Stock Exchange last year, with CAP, a computer software company.

The third partnership awarded a contract yesterday was Scott Lithgow, the Clyde shipyard, with British Aerospace and Three Quays Marine.

HMS Fearless and Intrepid are expected by the MoD to remain operational until the mid-1990s. The MoD will start evaluating next autumn all the options available for replacing or updating the vessels. Final decisions could be taken in 1989, ready for work to start around 1990.

The only other new type of ship the Royal Navy is considering at present is an aviation support ship, designed specifically to carry helicopters for amphibious assault. A decision on this type of vessel is expected to be made in two years.

Lonrho Textiles to re-equip and expand

By Alice Rawsthorn

LONRHO TEXTILES, one of the largest manufacturers of bed linen in the UK, plans to invest £36m over the next seven years in re-equipping and expanding its production.

The company, a subsidiary of the international trading group, proposes to spend about £5m in each of the seven years to re-equip its factory in Cramlington, Northumberland, which employs 1,300 people.

The capital expenditure is intended to make the factory more efficient but, by reducing labour intensity, will not involve a big job creation programme.

The company plans to use its increased efficiency to diversify into higher quality areas of the bed linen market and to expand its activities in Europe. At present Lonrho Textiles manufactures bed linen for its own retail outlets - Accord, John Wilson and Brentford - and for multiple retailers and mail order houses.

Last year the company's turnover increased to £45m.

TV ratings are 'seriously inaccurate'

BY RAYMOND SNODDY

BRITISH television ratings used by the advertising industry to place nearly £1.6bn in advertising are seriously inaccurate, a leading advertising agency said yesterday.

Lowe Howard-Spink said that ITV's viewing figures were much worse than official research figures.

"There has been a real and significant decline in viewing across all groups that has not been accurately conveyed to the industry," the agency argued.

British television audience ratings are compiled by AGB Research, from a panel of 3,030 homes spead around the country, on behalf of the all-industry Broadcasters' Audience Research Board.

"The basic data that is being published by AGB on behalf of BARB is inaccurate at the basic level and the entire industry is trading with information that is not a realistic representation of the nation's viewing habits," the report said.

Problems arise, the study argued, because of the difficulty of ensuring that the panel was truly representative of the population profile.

Panel findings are weighted to take account of factors such as amount of viewing, age and sex but not social class.

Lowe Howard-Spink said the decision not to weight the sample for social class and how it relates to age caused serious inaccuracies for all audiences.

Viewing habits of different social classes varied greatly, with higher socio-economic classes watching less. This, the study argued, is not adequately reflected in the AGB panel.

The agency reworked all the figures for last May, adding and relating social class to age, and found a 7 per cent discrepancy for male ITV viewers. The viewing by ABC1 men, according to the study, was overstated by 19 per cent.

AGB Research said yesterday it had asked for a copy of the document but pointed out that discussions were already under way on whether social class should become a factor in panel weightings.

Tax concession on privatised shares

BY RICHARD WATERS

PROFITS made by employees of privatised companies who were first in the queue for shares will not be taxable as income, the Inland Revenue said yesterday.

The announcement was described by tax experts as a clarification of the law designed to ease the take-up of shares by employees in the forthcoming BP issue.

Mr Norman Lamont, Financial Secretary to the Treasury, said yesterday that the Revenue had "generally" not taxed such profits in the past and would not tax any made after yesterday. This provision would be confirmed in next year's Finance Act.

The Inland Revenue confirmed that it was "quite unlikely" that employees would be assessed on profits made as a result of previous preferential share issues.

The tycoon pupils 'eye Murdoch'

By Michael Dixon, Education Correspondent

NATIONAL Westminster Bank's chairman yesterday discounted suggestions that a little-known, cash-rich newspaper company backed by his bank is to follow Mr Rupert Murdoch's News Corporation in taking a stake in the Pearson group, owner of the Financial Times.

"If they're going to buy into anybody, it'll be into Mr Murdoch," Lord Boardman said of the Brookwood Reporter company, which after 30 months of operation has liquid assets worth more than three times its initial capital.

The company was one of seven - all started with Nat West's backing - represented at a London meeting to launch the second phase of the educational project Mini-Enterprises in Schools, which encourages pupils to set up and run businesses as part of their education.

Lord Young, the Secretary for Trade and Industry whose department is the project's main sponsor, told the meeting that approximately three-quarters of the middle and secondary schools in England and Wales had taken part in the first phase of the excercise which began in 1985.

"We want to make enterprise part of school life," Lord Young said. "Our target is to have at least one scheme running in every school in the land."

He added that the Trade and Industry Department's investment in the second phase of the project would be more than £500,000, part of which would finance programmes to train teachers to make good educational use of enterprise schemes.

Of the 5,000 schools which took part in the first phase, about 3,000 took advantage of Nat West's offer of a £30 starting grant, which is to be raised to £40 plus an account with an overdraft facility of up to £50 at interest of 5 per cent.

It was Nat West's £30, together with a £10 handout from school funds, that launched the Brookwood Reporter started by a 25-strong class of 11 to 12 year olds at Brookwood Middle School in Surrey. The originators have now moved to secondary schools, leaving the 20p newspaper to be run by successors at Brookwood.

Lord Young promised to take personal responsibility to see that learning enterprise in schools was not diminished by the Government's move to institute a national curriculum of basic subjects

Amoco reports gas find

By Lucy Kellaway

AMOCO, the US oil company, yesterday announced an encouraging gas discovery in the Southern Gas basin of the North Sea. The discovery, on block 47/3b, 25 miles offshore of Humberside, is the latest in a series of potentially commercial gas finds made recently in the area.

The company said that a well drilled to 12,060ft into carboniferous rock flowed at a rate of 15m cubic ft a day, far higher than that of previous wells drilled on the block.

UK NEWS

US electronics group to set up Scottish plant

BY JAMES BUXTON, SCOTTISH CORRESPONDENT

AVEX, a US electronics company, is to set up a plant at East Kilbride, near Glasgow, to manufacture electronic circuit boards for the European market.

It plans to start producing in December at a 48,000 sq ft plant which will initially employ about 100 people, rising to about 500 within about three years.

The decision of Avex to set up a plant in Scotland is a boost for Silicon Glen - the Scottish electronics industry which employs more than 40,000 people. US multinationals with plants there include International Business Machines and Digital Equipment, which by manufacturing in Scotland gain tariff-free access to the European market.

Avex employs about 1,000 people at its headquarters in Huntsville, Alabama. It has annual sales of about $100m (£60m) and earlier this year was acquired by J M Huber of Edison, New Jersey, a conglomerate with interests such as chemicals, timber, oil and gas.

It is investing $10m in the East Kilbride plant, which was built as an advance factory by East Kilbride Development Corporation.

Mr Jim Dixon, senior vice-president of Avex, said yesterday that the company would manufacture circuit boards under contract to electronics companies in fields such as office equipment, computers and medical and industrial products. The plant would have design capability and advanced research and development facilities.

He said East Kilbride had been chosen because of its infrastructure and availability of skilled manpower and transport facilities.

Mr Dixon said that despite the recession in parts of the electronics industry in the past two years, the high-technology end of the market was growing and faced a shortage of capacity.

Locate in Scotland, the joint operation between the Scottish Office and the Scottish Development Agency which promotes inward investment in Scotland, has been trying to persuade Avex to come to Scotland for about five years.

Mr Malcolm Rifkind, the Scottish Secretary, said that the decision of the US company to come to Scotland was "increased and irrefutable evidence that Scotland is seen as an attractive place for investment."

Barclays data centre to create 600 jobs

By Ian Hamilton Fazey, Northern Correspondent

BARCLAYCARD is to spend £5.5m on 100,000 sq ft of new buildings at Wavertree technology park, Liverpool, and will create at least 600 jobs there by 1990.

Mr David Trippler, the Inner Cities Minister, hoisted the first piece of structural steelwork into place yesterday to launch the development. It will house a large data processing centre.

They will be part of Barclays' central retail services division and will work on financial services to include - besides Barclaycard - Masterloan, Connect and Visa travellers cheques.

Mr David Buxton of Barclaycard said that with 3,500 employees at its Northampton base it was getting more difficult there to find suitable recruits. Barclaycard already employed 170 people in Liverpool, who would transfer to the technology park, and 300 in Kirkby nearby.

Barclaycard's move marks a significant step for Wavertree technology park, an idea of Mr Michael Heseltine when he was Environment Secretary. It is a joint venture between Plessey, which has one of its main factories on an adjoining site, the Government, Merseyside local authorities and English Estates.

Maurice Samuelson continues a series by examining prospects for the mining industry

Private power plan fuels British Coal fears

BRITISH COAL is far from enthusiastic about the prospect of privatised power stations.

Nationalised within months of each other by the first post-war Labour Government, the coal and electricity industries have grown steadily more interdependent and now have an uneasy, almost incestuous relationship.

In 1947 only 15 per cent of coal went to the electricity industry. Now the total is nearer 80 per cent. The electricity industry this year will rely on coal for about 80 per cent of its fuel although, in an emergency such as the 1984-85 miners' strike, it can replace nearly half of this by oil and gas for prolonged periods.

Most of the country's electricity is generated in power stations deliberately located in the coalfields.

Many new pits, such as the huge Selby complex being developed in North Yorkshire, are "dedicated" to electricity supply. The two industries are stitched together by the tracks on which "merry-go-round" trains shuttle day and night between pit and power station.

During the past decade the two state corporations have entered a series of understandings on bulk long-term deliveries which gave both of them a measure of security they had previously lacked.

The closeness of the industries has led to occasional suggestions that pits and power stations could be sold together in a privatisation package. Another idea aired recently was that since electricity prices so closely reflect coal costs, it would be logical to privatise the pits first.

In spite of the relationship, and while exchanges between the two industries are outwardly correct, there is no lack of backbiting behind the scenes.

British Coal, under its chairman Sir Robert Haslam, avoids antagonising its dominant customer in public, but is adept at fighting its corner in discussions with the Government.

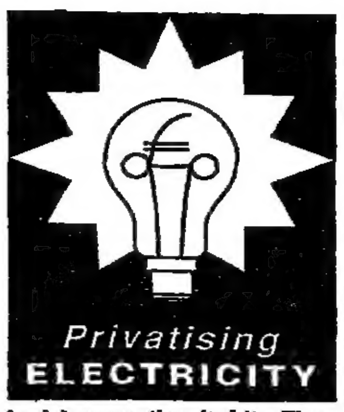
The Central Electricity Generating Board, as the profitable partner, is embarrassed about its kinship with an industry which is a byword for subsidisation and bad industrial relations.

While forced to acknowledge the growing efficiency of British Coal, the CEGB is sparing in its compliments and is guarded about the coal industry's future. With the traumas of the miners' strike still unhealed, the electricity industry is determined to maintain flexibility of supply.

With privatisation in view, its talk of importing more coal acquires new force. Imports, it says, would enable it to cut hundreds of millions of pounds from its yearly bill; estimates of potential savings vary between £450m and £750m.

It is also suggested that it is abnormal for power stations to be so dependent on domestic coal.

Privately some British Coal officials claim that the CEGB's bark is worse than its bite. They passionately deny that the CEGB is excessively reliant on domestic coal, arguing that some 75 per cent of the world's power station coal is consumed in the countries where it is produced.



For British Coal the only theoretical advantage from electricity privatisation would arise if the programme for more nuclear power stations, coal's biggest long-term competitor, were to be stifled in a commercial environment. However, the Government is strongly committed to more nuclear capacity.

British Coal believes its interests lie in seeing the least possible change in the structure of the generating board. It sees least risk to itself if the CEGB were to become simply a unified generating company which would run the power stations under the present centralised merit order system.

Whatever the new structure, there will inevitably be intensified pressure on coal prices given the Government's commitment to greater competition in electricity production.

Most of the nation's generating capacity is concentrated on the coalfields of Yorkshire and the Trent Valley, from where power radiates over the supergrid system

If separate power companies were able to burn imported coal closer to this market, this would threaten not merely the coal industry of the north-east but also the "loyal" Midlands coalfields, which are wrestling with difficult geological conditions.

According to one coal industry estimate, no fewer than eight Nottinghamshire pits would close if competition forced British Coal to reduce costs more drastically than under the plan it has been following for the past two years.

Some politicians appear to believe such shocks could be absorbed by expanding the amount of coal produced at the more profitable open-cast sites. There is talk, for example, of pushing output from the present 14m tonnes a year to nearer 20m tonnes.

However, coal managers believe there could be formidable local planning obstacles. Far better, it is argued, to maintain the system under which British Coal has been painfully but steadily aligning its costs towards those of the international coal market.

Power station coal is at present purchased under last year's joint understanding between British Coal and the CEGB which allows for at least 70m tonnes a year divided into three pricing tranches.

Lord Marshall, CEGB chairman, said in his last annual report that the agreement's main attraction was that it "set a course towards coal prices in future becoming progressively nearer to world prices, while at the same time providing a sound basis for the development of a strong and competitive British coal industry."

Supporters of the agreement say that, far from being a cosy, incestuous deal, it was modelled on the commercial relationship between the private electricity and coal industries of the US, where power stations buy fuel by a mixture of long-term contracts and spot-market pricing.

The similarity will be even closer when Britain's power stations are in private hands. If British Coal has its way, the joint understanding with the CEGB would be replaced by supply contracts with private customers

Before then the question will not be the structure of the electricity industry but whether British Coal, the "crown jewel" of the post-war nationalisation programme, has also reverted to the private sector.

Le Pen cancels Tory Conference visit

BY JOHN HUNT

MR JEAN-MARIE LE PEN, leader of the French National Front, has abandoned his visit to address a fringe meeting at the Conservative Party Conference in Blackpool next month in the face of strong all-party opposition in Britain,

Mr Le Pen said he was "deeply saddened that the cradle of democracy appears not to be willing to give a hearing to me."

He was due to speak at the invitation of Sir Alfred Sherman, a former speech writer for Mrs Thatcher. Yesterday Sir Alfred blamed "media hysteria and misrepresentation" for creating an atmosphere of hostility towards Mr Le Pen.

Mr Le Pen, a highly controversial figure in French politics, came in for bitter criticism when he said recently that the extermination of the Jews by the Nazis was "a detail in the history of the Second World War."

Mr Norman Tebbit, the Conservative Party chairman, made it clear that Mr Le Pen would not be welcome at Blackpool. He emphasised that the French party leader had no connection with the Conservative Party and advised party members not to attend the fringe meeting.

Yesterday Mr Tebbit was making no comment on Mr Le Pen's change of mind, but there was great relief at Tory Central Office that the visit had been called off. Had it gone ahead it would have caused considerable embarrassment to the Tories with the likelihood of demonstrations against the visit.

Mr Le Pen said yesterday that he did not wish to embarrass Mrs Thatcher, whom he admired and with many of whose policies he agreed. Therefore he would postpone his visit until the atmosphere had improved.

Sir Alfred, himself a Jew, said he had wanted British people to have a chance to judge for themselves the policies and views of the French National Front. Mr Le Pen, he said, had become a substantial political force in France. An atmosphere had been created in which he had no chance of a fair hearing consistent with an open society.

Patten outlines problems for new social legislation

BY PETER RIDDELL, POLITICAL EDITOR

THE NEXT STAGE of the Government's social legislation involved a difficult political challenge in transferring responsibility for education, housing and crime prevention to people without any financial incentive, Mr John Patten, Home Office Minister, argued yesterday.

Speaking in Oxford on social policy and personal responsibility, Mr Patten said that unlike council house sales and privatisation there would not be much financial inducement for individuals in the new phase of the Government's programme.

After listing the main economic shifts to affect people since 1979, Mr Patten said that the other side of the coin, and as important for the Government's overall strategy, was the need for individuals to take back not just the family silver - via council house sales or the purchase of shares in once nationalised industries - but to take on the family responsibilities.

He argued: "The challenge of transferring responsiblity to people is just as great as that of transferring wealth to people. This task is going to need the greatest possible effort by us all, in persuading those that care in society that taking a non-financial stake in their housing, their schools, their neighbourhoods, is something they should do. So much of post-war social policy has been in exactly the opposite direction."

His remarks reflect the concern of a number of ministers about the political problems of selling to voters parts of the Government's current legislative programme, particularly on housing and education, since the short-term disturbances will be felt before any longer-term benefits.

Mr Patten said there was no financial inducement in taking on more responsibility for running blocks of flats and estates or choosing a new landlord. The same point applied to parents taking more responsibility for the running of schools.

He said the Government wanted the community to help the police by "turning eyes back on the street, helping to look after neighbours and neighbourhoods in a way which was common in inter-war England. Again there is no particular financial inducement to get involvement, save that of possible financial loss."

Housing White Paper to be published next week

BY JOHN HUNT

THE WHITE PAPER containing proposals that will form the basis of the Goverment's Housing Bill, which is intended to free the private rented sector, will be published next Tuesday.

It will include provisions to allow local authority tenants to opt for an alternative landlord.

Mr William Waldegrave, the Housing Minister, in a speech setting the tone of the Government's policy, yesterday delivered a strong attack on local authority housing departments when he addressed the Institute of Housing.

He emphasised that he would introduce further changes to the right-to-buy provision in order to assist council house tenants to purchase their properties more easily.

The minister said that local authority housing would still be with us for some years to come but added: "Mass state provision has now had its day. Society has changed."

There were cumbersome housing allocation procedures where tenants felt at the mercy of large, unresponsive bureaucracies. Remote and inflexible management arrangements appeared inefficient and unwilling to respond to tenants' wishes.

In addition there were problems of disrepair, sometimes on a massive scale. These required resources which were simply not available.

TECHNOLOGY

How electronics are writing a new chapter in publishing

By Jane Rippeteau

Within a four-storey Geogian house overlooking leafy Soho Square in central London, a new publishing company was just getting the last of its packing crates unloaded. It was a poor time to have the floors torn up in a costly project to lay in computer cables.

But to Nigel Newton, the 32-year-old managing director of year-old Bloomsbury Publishing, the inconvenience was worth it. Newton and his colleagues use their £24,000 computer system not only for accounting and management but for a task at the very heart of the way they have decided to run their business: They use it to conduct sophisticated spread-sheet analyses on books the company is considering publishing, before deciding whether or not to take them on.

"We can play around with the model, altering cover prices, production costs, discount rates, all to see whether the book will work," says finance director Nigel Batt. Batt even considers interest lost on money tied up while the book is in the making.

Publishers traditionally rely on gut instincts and judgment born of experience to make decisions about books. The computer analysis cannot replace that; it just adds a dose of science, says Newton. "It's an attempt to impose some financial discipline on something as unpredictable as the public reaction to a book two years hence," he says.

Bloomsbury's extensive computerised evaluation process - which Newton and Batt, both experienced publishing executives, believe is unusual in the business in Britain - is one of the ways that traditional UK publishers are beginning to use computer capability to change the way they work.

Some UK publishers are even pioneering new kinds of publishing products, such as electronic databases.

Perhaps the biggest shift, though, is in the actual production of books using desktop publishing, in which books can be written, edited and typeset by computer without any paper manuscripts at all. With "camera-ready copy" delivered to the printer for reproduction, time savings can be substantial, although costs, publishers say, are not necessarily lower.

Few traditional publishers have moved wholesale into this book-on-a-disk technology, but it is increasingly seen as the way of the future. "Many authors are working on computers, and taking disks from their PCs to publishers," says Michael Turner, group managing director of Associated Book Publishers, and also president of the UK Publishers' Association. "It's still relatively experimental, but that's the future."

The market for computer-aided (or electronic) publishing equipment has already taken off in the US, where sales account for 90 per cent of last year's estimated $880m world value, according to B. Alex Henderson, an analyst with Prudential Bache Securities in New York. He projects sales will top $4bn in 1990.

Speed is the big advantage. *You get to the* market quicker

Tim Rix, chief executive of the educational publisher Longman Holdings, says that his authors already deliver between 5 and 10 per cent of the 1,500 titles he publishes annually on disks. "That will rise to 20 per cent over the next few years. But it will be two or three years before we're fully over to electronic page make-up," he adds. "We're in the vanguard, but we're not out there on our own."

The major attraction of electronic publishing, he says, is that "it's quicker." Once problems are worked out and users are accustomed to the technology, a book such as a straightforward academic monograph, once written, would take between three and six months to produce rather than six to nine months, he says, adding: "You get to market faster."

A number of smaller publishers are also anxious to embrace the new technology, if only in limited form.

Peter Preston, a novelist and former publishing executive, believes it would not have been possible for him to attempt to launch his one-man publishing concern were it not for automated equipment (see accompanying story).

Bloomsbury does not yet use desktop publishing systems, but expects to acquire the first element - a personal computer equipped for word processing - this autumn. The company has already accepted one manuscript on disk. The work was edited on hard copy, then the author made corrections himself on the disk, divided the work into chapters and even keyed in coding for chapter headings and bold sections of the text, according to Kathy Rooney, editorial director for reference books.

According to Newton, that computer work lopped six weeks off of the quarter-million-word book's production time. "We're going to be doing this increasingly in the future," he says. He projects that a half dozen of the 120 titles he plans to publish next year will be written and edited on disk.

Frances Pinter, managing director of a London business-books publishing company she started at her kitchen table in 1973, says that today almost 20 per cent of her 80 annual titles published are done at least partly electronically.

Pinter has equipped her office with IBM and Apricot personal computers, one each, on which manuscripts delivered by authors on disk can be edited. She has not invested in typesetting equipment, preferring to contract that, as well as printing, outside.

In most cases, authors have had their own equipment, she notes, but twice the company has supplied machines "of the £400 variety" to authors. "We see this as a growing trend," she adds. "We call it an advance on royalty."

Time savings are not the only outcome publishers anticipate as they harness the power of the computer. Pinter and others foresee a day when they will compile data bases based on business or technical books at the time they are written. If a manuscript is prepared electronically, the computer can be used, for instance, to search out, all references to a particular subject within the work, much like an electronic index.

"We would work with authors compiling the information so at the very early stages they would be developing our data bases," says Pinter. "Authors would get a fee for compiling data, and royalties on sales," she adds.

Pinter is among those who believe that if the traditional publishers do not start developing such products they could lose out to non-traditional players who are using electronic technology to get into publishing.

In order to remain competitive, a lot of traditionalists will have to change

Financial institutions are leading this rush with investments in equipment and editing staff to operate in-house publishing concerns. Most of this activity involves production of analysts' reports, business proposals and other materials used internally or distributed free to customers as part of the institution's marketing efforts.

At least one UK accountancy has gone further, however. Deloitte, Haskins & Sells last February began publishing specialised books for sale to the public through book shops, in direct competition with traditional publishers.

The sales pattern at The Desktop Publishing Centre, a London equipment dealership, is revealing. According to Patrick McDermott, the centre has "far more non-traditional customers" for its £15,000 to $20,000 basic systems than traditional publishers.

McDermott says a desktop publishing system with an Apricot micro computer, a laser printer (for producing hard copies), a monitor, an image scanner (for feeding art work into the computer), and software - Aldus PageMaker for type face, page design and layout, Microsoft Word for word processing and Microsoft Draw for art - costs about $15,000.

One city customer, he says, spent four times that for a more extensive package. But at a recent open house he held, McDermott noted a healthy turnout among curious traditional publishers.

"I don't think their reluctance (to go electronic) is going to last," he says. "In order for a lot of publishers to remain competitive, they'll have to change."

Just one September weekend and a book is born

HE MIGHT have set a record.

In one weekend, Peter Preston, a novelist and former publishing executive, received and prepared for printing the entire manuscript of a 136-page book that will be the first published by his infant company, Preston Editions.

"The weekend of September 5...it was a nightmare," recalls Preston. "By the end I had a camera-ready copy of the book, and a hangover."

Preston had a reason to rush. His English translation of an Argentine book on the Falkland Islands war will follow an English-language book published in April, The Land That Lost its Heroes, by Jimmy Burns. And Preston was keen to have at least advance copies for the Frankfurt book fair in October.

So, with £4,300 worth of electronic equipment, including an Apricot personal computer, word processing software and a specialised software called PageMaker for designing page layout and typesettings, Preston says he truncated into three days what traditional publishing can take months to accomplish.

There are differences, of course. Preston's task was straightforward. For instance, there were no lengthy author-editor-designer debates over late changes, layout or artwork. The art and translated text of the book had been approved by its three authors and even keyed onto a computer disk.

Where Preston drastically cut time was by emulating electronically such traditional tasks as having type set outside by conventional typesetters, pasting up page layouts mechanically, and even compiling indices.

The system allowed Preston to design a standard page and then electronically run the text into it, complete with running heads and page numbers placed automatically. He was able to format special pages, such as chapter openers, titles, contents and preface pages, as well as complete the index electronically.

Using a laser printer on which he had rented time, "on Monday, I ran off the final pages," says Preston. "On Tuesday, I handed the book to the printer." He says that traditional typesetting could have cost over £2,000, so that, with a second book, he could nearly recover his investment cost.

Publishers caution that book production is only one slice of their business. Distribution and promotion are among the equally important facets of the work. But few publishers can fail to be impressed by the potential production efficiencies made possible by the computer.

24-hour payout for Pedigree workers

By Geoffrey Charlish

IN THE wages department of UK company Pedigree Petfoods cash handling has been reduced to zero along with the attendant security problems. The Melton Mowbray company has installed Microcash, a system of automatic cash dispensers and plastic cards providing a round-the-clock cash service for the 1,800 employees.

Microcash, from Inter Innovation of Reading (0734 503121), allows each employee-cardholder to withdraw cash at any time from the dispenser up to an agreed limit determined by his or her weekly wages.

Those whose wages are normally paid into their bank by credit transfer have the amount withdrawn, using the dispenser, deducted from the transfer figure each week. Those without bank accounts simply draw all or part of their wages from the dispenser.

US natural gas feels the chill

IN THE US, Tecogen of Waltham, Massachusetts, is offering air conditioning systems that run on natural gas rather than electricity.

Prototypes of the system are being field tested in nursing homes, supermarkets and department stores in five US cities. Called Tecochill, the system uses a large gas-fuelled chiller which is said to cost about 50 per cent less to run than comparable electrical units.

The company believes Tecochill is financially attractive because in the US gas demand is at a minimum in the summer and prices come down.

MANAGEMENT: Marketing and Advertising

Market research

Cores gets to the heart of the matter

David Thomas on the broader ambitions of a service that has helped Japanese companies to break into overseas markets

ACRES OF newsprint have been devoted to explaining how the Japanese set about increasing their manufacturing efficiency. By contrast, little has been written about the precise methods used by the Japanese to sell their products, despite the fact that they have swept all before them in market after market.

The assumption seems to be that Japanese products - technologically superior, better designed and cheaper than much produced in the west - almost sell themselves. Nothing could be further from the truth; the Japanese lavish as much attention on the fine detail of selling their goods as they do on making them in the first place.

That this is so can be seen from the work of Cores, a market research company with a difference.

It is Japanese-owned, yet nearly all its business is outside Japan. It has concentrated on helping Japanese companies seeking to penetrate the North American and European markets. Almost all the household names of Japanese industry have used its services.

Cores' charismatic founder, Yukinobu Sato, now 47, has what must be one of the strangest backgrounds of any Japanese businessman. A convert to Christianity while a teenager in Japan, Sato studied theology at Harvard and went on to become a Baptist minister in Texas.

The insight this gave him into the US must have come in useful when he changed direction, setting up Cores in the US in 1970 to help the attempts by Japanese conglomerates to penetrate that market. Characteristically, Sato - who launches into discussions of John Locke, the great 17th century British philosopher, at cocktail parties - explains the activity of Cores (named after the Latin for heart) in spiritual terms.

"I wanted to be a co-ordinator of nations, helping first to bring about better communications between Japan and the US. The first contact most people have with a different culture is through the products they purchase....If the quality of the products is high, respect and mutual understanding develop more rapidly."

Sato divides his time today between Boston, where his home is, New York, Tokyo and Europe, where he set up a Cores operation five years ago. Cores' European business is run out of London by Mamoru Miki, as westernised as Sato and in his own way as unusual.

Miki, also 47, gave up a safe career with Panasonic, most recently as senior director for industrial products in the UK, to join Cores. When Panasonic ordered him back to Tokyo to take up a senior position there, Miki preferred to stay in Britain.

So he switched to Cores, which specialises in research in consumer electronics and office automation products. Cores believes it differs from other market research companies in two main respects: it concentrates on qualitative, not quantitative research; and its work goes into great detail.

Yukinobu Sato (left) and Mamoru Miki: concentrating on detailed, qualitative research

Miki argues that Cores's way of carrying out its studies of colour televisions, video recorders, computer printers, facsimile machines and so on sets it apart. A Cores study comes in two parts:

- First, it carries out a detailed qualitative comparison of the major competitors in a field.

To do this, it sends its staff to interview key people such as dealers and managers of retail outlets about their experience of each main brand. They are also asked to rate each brand from -5 to +5 along several dimensions.

These comments, including all the critical ones, are recorded in the first report and sent to all the subscribers to the study. This means that one company, say Panasonic, sees everything that the dealers are saying not just about its products, but also about those of a rival, say Toshiba, and vice versa. Moreover, products of companies which are not Cores clients, such as Philips of the Netherlands, are included in this first-stage comparative report.

- Second, Cores compiles recommendations arising out of the study for all its subscribers. These are company-specific, with each company seeing only the recommendations addressed to it.

A recent Cores study of laser beam printers, for instance, told one of its Japanese clients: "The product reliability and quality are perceived to be very good. However, there are some suggestions as to weakness in the ergonomic design of the range."

It went on to make specific recommendations on the company's product range, its degree of promotion, its pricing and stocking policies, the delivery schedules and the literature which accompanied the products.

Miki gives another example of pinpointing ways for Japanese television manufacturers to improve their after-sales service in Britain, which was perceived as a key weakness compared with European-based competitors such as Philips and Ferguson of the UK. Cores also told a Japanese camera manufacturer to double its visits to dealers to counteract their belief that the company had grown complacent and who were turning increasingly to the products of a Japanese rival.

Once these reports are produced, Cores spends a day presenting them to each company - a meeting usually attended by about 10 marketing executives, which gives Cores's clients a chance to explore in full its analysis and recommendations. It is significant that Japanese companies are prepared to take advice from outside sources on this level of detail, though clearly they also consider many other factors before making decisions.

The personal contacts built up by Sato and Miki give Cores a huge advantage in winning business from Japanese companies in the UK. A party at Cores' UK offices, just off Park Lane in central London, is attended by executives from many of the Japanese companies active in the UK, most of whom are happy to attest to the company's good work.

This very Japanese pattern of personal contacts has also drawn Cores into areas of activity outside the more narrow definitions of market research.

Miki says he is often asked by Japanese companies setting up in the UK about personnel issues and always tells them the top management should be local. To circumvent the obvious difficulties of moving British managers straight into top jobs in Japanese companies, Miki advises the companies to recruit able young British graduates and train them for senior positions.

Miki also foresees more work in introducing Japanese companies to potential UK suppliers or partners in joint ventures, particularly in the field of components, as pressure mounts from the European Commission on Japanese manufacturers to increase the amount of components sourced locally. He says he had a hand in forming the Birmingham-based joint venture between Silver Reed of Japan and BSR of Hong Kong to make electronic typewriters.

Yet Cores's big ambition at present is to diversify its client base. It wants more non-Japanese clients both in Europe and Japan.

Cores started approaching European companies last year, but with little success. Miki says most told Cores they had enough market research already - a response which he is at a loss to understand.

However, a trickle has begun to use Cores, including Olivetti's British subsidiary and British Telecom in Europe, and Zenith in the US. BT has signed up for Cores's market research on facsimile equipment because it is "more detailed than that of any other market research into facscimile," BT says.

Miki also has the dream of helping British and other European companies penetrate the Japanese market, though probably not with the sorts of product researched by Cores in Europe, which he believes would be a lost cause.

Instead, Miki speculates about the areas where British companies could win business in Japan, possibly in collaboration with Japanese concerns: "The leisure industry, something to do with sports events, yachting and so on. Japan will be the country where the leisure industry will have a big future and you have lots of know-how and expertise in this area."

It really would be a full circle if a company founded by a Japanese man who left his homeland to take up the puritan calling of a Baptist minister helped instil the western leisure ethic into Japan.

Advertising codes

The fight for self-control

BY FEONA McEWAN

ADVERTISERS from the world's industrialised nations have been proud of their self-control for over 50 years. But retaining it has been a long hard fight. If they are to enjoy another 50 years like it, they cannot afford to stop the struggle. Any alternative, they say, would be counter-productive to trade.

"Unless we regulate ourselves, governments will do it for us and that could be clumsy, costly and make life very difficult for commerce. There is a danger, as inter-governmental bodies such as the EC proliferate, that wealth producers could find themselves stultified unless we persuade the legislators that the self-regulatory way is best."

Thus argues Ken Fraser, head of marketing at foods and detergent group Unilever, who is spokesman for the influential International Chamber of Commerce, the body responsible for issuing the code of advertising practice that has become the grand-daddy of them all. Since the first ICC code was drawn up in 1937 it has influenced the shaping of advertising codes as used by over 250 advertising associations in 35 countries.

"It's a remarkable achievement really," says Fraser, "introducing as it did consumer protection guidelines well before it had become a public issue." Today, the ICC plays a lobbying role wherever consumer protection and marketing is an issue, from EC bodies to the United Nations Economic and Social Council.

Self-regulation is therefore an issue that the advertising fraternity takes seriously. One of the main advantages of self-regulation, Fraser argues, is its comparatively good reflexes; this means the code can respond quickly to changing climates and concerns.

In this respect it is a barometer of changing times and sensibilities. Back in 1937, when Europe was under threat of world war, one of its prime concerns was to avoid offending patriotic feelings. That, along with "legal, aesthetic, and religious feelings" has since developed into the familiar "legal, decent, honest and truthful" dictum on which most advertising codes are now based.

Next week the ICC code is reissued for the first time since 1973 with some fresh, albeit minor, amendments. These touch on advertising to children, a subject known to raise temperatures, as well as the booming financial services sector, which is still coming to grips with its new-found freedom following Big Bang last year. The code addresses areas like loans, investments and credits. At the same time the ICC has dropped its guidelines on drugs advertising since the pharmaceutical industry is now so well regulated

Now the ICC is stepping up talks with industries under scrutiny such as tobacco, alcohol and financial services in an attempt to persuade them to tighten up their advertising practices.

These days now that most industrialised nations have an advertising code firmly in place, the ICC rules tend to influence mainly developing nations where governments are looking for guidelines.

In the final analysis, of course, self-regulatory codes are only as efficient as the businesses they guide. They are seldom able to exercise sanctions on members and have little or no influence on non-members. They can inform, advise and warn but seldom enforce.

"As a result, the practical solution is for the self-regulatory body to encourage good behaviour but at the same time to encourage the formation of disciplinary bodies at national level and strongly influence national legislation where a framework of law is really necessary," according to Giles Wyburd, director of ICC in the UK.

Copies of the new code are available from International Chamber of Commerce, 38 Cours Albert, 1er, 75008, Paris, or from national ICC affiliates. The London address is Centrepoint, 103 New Oxford Street, London WC1A 1QB.

US agency expands UK base

BRITISH publicly-quoted advertising agencies do not have the acquisition trail all to themselves. While thrusting communications groups like WPP (the new owner of J Walter Thompson), WCRS, Saatchi and Saatchi, and Lowe Howard-Spink and Bell make waves in the UK and increasingly in the US, more established American multinationals have been quietly pursuing the same route.

One of these is the Grey Communications Group which has today acquired Newton & Godin, a UK advertising agency with a good creative reputation and billings of around £20m. Clients include Hitachi, TDK, Continental Airlines, British Shoe Corporation and First National Securities.

The Newton & Godin deal, believed to be in excess of £3m, which gives Grey a majority holding in the Tunbridge Wells company, brings the total billings for the Grey Group in the UK to over £200m. The group's UK interests comprise a raft of communications companies, 12 in all, covering sales promotion, public relations, direct mail, video and film production, media buying and recruitment advertising. This move gives the group its third independent British advertising agency, the other two being Grey and Arc.

Grey's approach to expansion in the UK market is symptomatic of its behaviour on the world stage. In recent months, it has been actively pursuing a broad-based diversification policy, plugging gaps around the globe, by buying up new companies or fleshing out skeletal ones.

"We think we're moving as fast as any of the US multinationals," says Roger Edwards, deputy chief executive officer of Grey Communications Group.

Having established its US and European networks - Grey is in the top ten agency list in the US - the company has looked for growth particularly in the fast-growing and fruitful Asia Pacific region.

Grey is quoted on the US exchange although half of its issued shares are held by its employees. In the UK, Grey Advertising has emerged in the last couple of years from a period in the doldrums to a newfound popularity and creativity. Leading clients include Beecham, Mars, Distillers, General Foods and Procter & Gamble.

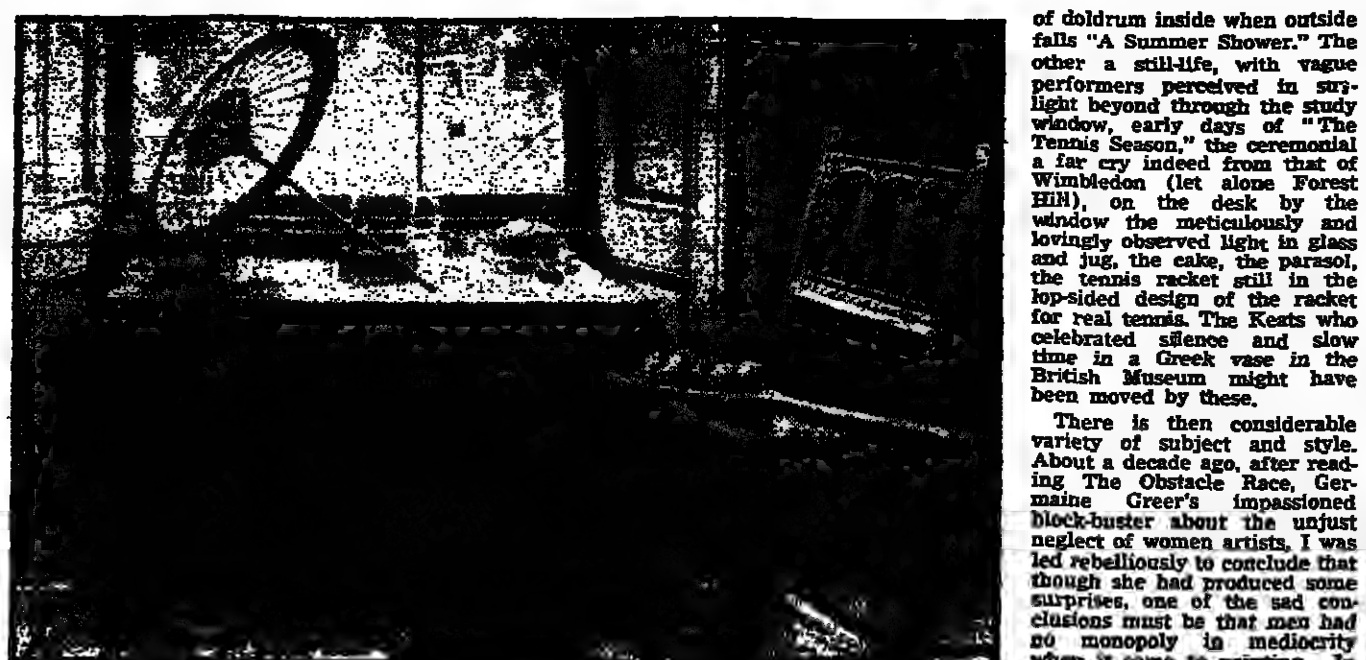
Feona McEwan

Camden Arts Centre/David Piper

More than merely accomplished Victorian ladies

"Lovely pictures, shame about the bigotted labels," observed the visitor before me, in the Visitors' Book. If your main interest in visiting exhibitions of pictures is in the enjoyment of the art of painting and drawing, you might do well to cruise slowly and happily—where the bee sucks, there suck I—round the exhibition *Painting Women; Victorian Women Artists* (Camden Arts Centre till October 11), just homing in on the pictures and ignoring, this first time round, the labels. *And* the catalogue.

The drawings and paintings are indeed all by women, and women as subject-matter too are fairly predominant. The categories generally are those popular through the Victorian period: domestic genre and anecdote; still-life (especially flower-pieces), costume histories, rustic idyll, and so on. The sizes range from the miniature to large life-scale ("gallery") oil paintings planned to hold their own against cut-throat competition in prestigious contexts such as the Royal Academy.



"The Lawn Tennis Season," 1881, by Mary Hayllar

Styles also can be categorised within the usual groupings of the period. The Pre-Raphaelite of course, the best-known being Elizabeth Siddall, but there is also a competent Emma Sandys, and, in the later, Burne-Jonesian mode, Evelyn de Morgan who has recently been attracting attention (long ago Watts considered her "the first woman artist of her day —if not of all time").

Battle-pieces one might well not expect, but not to do so is to forget Lady Butler, whose large canvases featuring earlier campaigns, Waterloo and the Crimean, are represented only by a small photograph. A current exhibition of her work (National Army Museum till 26 September; later at Durham and then Leeds; reviewed here on 8 September) is rescuing her from an unjustly derisory neglect, and is presumably why no painting by her is here.

The Newlyn School, also now in process of rediscovery, is represented by the wife of one of its leading protagonists, Stanhope Forbes. Elizabeth Anderson Forbes's luminous and colourful paint is no less attractive (and often more so) than her husband's.

A significant proportion of the exhibits are loaned from provincial museums, witness to some public appreciation, though how many of them are normally on permanent exhibition one may wonder.

The full-scale canvases by Alice Havers of rural life (both shown at the Royal Academy, 1877 and 1885) merit close attention and admiration not only for the technical mastery (not that I should call it that) but for the ambition of the emotional range in each one. In the less ambitious range of the watercolour, especially in a genre much sniffed at in that medium, the flower-piece, there is admirable professional competence. All middle-class (and for that matter, most aristocratic) young ladies practised such exercises as routine elements in a potential bride's kit of "accomplishments" — but see, for example, Helen Angell's "Azaleas," or, in oils, the "Camellias" by one of the Mutrie sisters, something far more than mere accomplishment.

One of the most arresting images is an extraordinarily vivid and direct head-and-shoulders of "Susan Dacre" by Annie Swynnerton, 1880, a haunting characterisation which made me hope to see some time a representative show of her work. She became in fact an A.R.A., the first woman to be elected member (or anyway, part member) of the Academy, since the two Founding Members of 1768, Angelica Kaufmann and Mary Moser — and even so, they waited till 1922 to admit her, by when she was well on into her seventies. This work can stand comparison with any British portrait of the period, and reduce most of them to platitude.

Evocations of domestic interiors that succeed in conveying something timeless through the "period charm" are provided by the Hayller sisters in the 1880s, Edith, Jessica and Mary. One, "A Coming Event," has a long sunlit perspective through open doors from one room into another, calm yet expectant — the dress lying ready in the first room obviously a wedding dress. There are two celebrations of the rituals of middle-class summer afternoons: at the Rectory perhaps, a moment of doldrum inside when outside falls "A Summer Shower." The other a still-life, with vague performers perceived in sunlight beyond through the study window, early days of "The Tennis Season," the ceremonial a far cry indeed from that of Wimbledon (let alone Forest Hill), on the desk by the window the meticulously and lovingly observed light in glass and jug, the cake, the parasol, the tennis racket still in the lop-sided design of the racket for real tennis. The Keats who celebrated silence and slow time in a Greek vase in the British Museum might have been moved by these.

There is then considerable variety of subject and style. About a decade ago, after reading The Obstacle Race, Germaine Greer's impassioned block-buster about the unjust neglect of women artists, I was led rebelliously to conclude that though she had produced some surprises, one of the sad conclusions must be that men had no monopoly in mediocrity when it came to painting. In this show too there is variety of quality, though one or two images that I might once have thought gauchely primitive or naive—like Alice Squire's "Young Woman in an Attic Bedroom," 1861, so dotingly inventoried for us in its clean and even light, now seems an idyll, if in melancholy, of innocence and order.

Unlike their husbands, women bore the children, managed the household and in some cases no doubt even cooked, dusted or made beds—but their time was not their own, and their names have often been swallowed up in the bruit of the male artistic relative's fame. John Brett was lauded by Ruskin in Pre-Rhapaelite days; he had a sister Rosa, but when she exhibited it was under the pseudonym Rosarius (male, so more acceptable). Her little painting on panel is uncompromisingly titled "Study for a Turnip Field": exquisite in its muted modulations, it is the painting in the whole show that I would best like to have.

But now you have looked at the paintings, and I hope enjoyed them. Now you may, no indeed should, consider the captions and the catalogue. They did not help this (male) viewer who was already aware of most of the arguments deployed and of the injustices wrought by a male-dominated society on women.

But let the compiler summarise her exhibition. She writes: "Painting Women is about women painting women, the contradictory images they made, and the complex social relations of class, gender and race surrounding and determining their lives and the works they produced. It is not about an essential *creativity* which was stifled in these women or the obstacles that they faced, but the social formulations of femininity which constructed these women, and informed their works across six decades."

If you have looked at the pictures before reading that, you will know that *Painting Women* also does in fact demonstrate that some women did refuse splendidly to let their *artistic talents* be *stifled, and* I guess that most of them, maybe all, would deny indignantly that they were mere "constructions" owing their existence to "social formations of femininity." And anyway, conditions are very different now. Aren't they? Nevertheless, the male should take note, and search his conscience.

First staged in Rochester, the exhibition moves after Camden to Bath, and *in the New Year* to Southampton. A complementary study, book-length, well documented and far less committed to feminist polemic than the captions here, is Victorian Women Artists, by Pamela Gerrish Nunn, to be published by The Womens Press, October 15 (£19.95; £10.95 in paperback); it offers a lasting and valuable contribution to the study of art in Victorian Britain.

Beyond Reasonable Doubt/Queens

Michael Coveney

Jeffrey Archer, the former Conservative MP, financier and novelist, is this year's West End nomination for promising new playwright. *Beyond Reasonable Doubt* at the Queens is not, however, the work of someone *dipping his toe in the water.* It represents full imitative submersion in two seemingly incompatible genres, the courtroom thriller and the Rattinganesque married love affair vitiated by terminal illness.

The play is not very good. Nor is it very bad. It is a sort of clever package containing the Old Bailey trial of Sir David Metcalfe QC (Frank Finlay) charged with murder of his wife (Wendy Craig). The trial occupies the first act and is about as colourfully written as an average episode of *Crown Court.*

The jury, in this case the audience, is dismissed to consider its verdict in the interval. After which, Tim Goodchild's depressingly accurate panelled courtroom gives way to a Wimbledon manse and evidence therein of the social life before the night of Lady Metcalfe's death. These scenes are played beyond their worth and with expert light comedy bravura by Wendy Craig, here resembling Kay Kendall in her stylish aspect of wasting beauty, and Mr Finlay establishing his self-made man credentials with a computerised anecdotage compiled from Dylan Thomas, memories of Leeds Assizes and Oxford days.

Mr Archer's voice is heard, one feels, in the deep-rooted rivalry, professional and amorous, between Sir David and the prosecuting counsel Blair-Booth (Jeffry Wickham). Both are success stories, both sons of the affluent clerical classes. Both loved Lady Metcalfe, who had only months to live and was put out of her misery by a lethal red pill, Cyclotoxolix. That pill is as difficult to pronounce—actors take running jumps at it all evening—as its power is difficult *to swallow.* This shakey attention to detail would not become a true crime writer, Agatha Christie, say, or P. O. James.

The point at issue is not one of mercy killing or murder, but merely of whether the hawk-eyed housekeeper (Antonia Pemberton) is to be believed. Sir David is ridiculously rude to her whenever she comes on with a tray and she has misread the marital charades, re-enactments of famous victories in court, as sure signs of his drunkenly violent predilections. Lady Metcalfe's death has made him a millionaire

Much of all this is cumbersomely revealed and Sir David fails to emerge as anything but an inconsistent hothead with a soft spot for all underdogs except those he employs. Mr Finlay flatters this Identikit job with his full range of sepulchral and emotional effects, rising like an ennobled Christopher Lee in the Old Bailey dock and reverting to elegiac soppiness, tanked up on *Under Milk Wood* and vintage Mouton Rothschild, the moment he sits on a sofa with his dying wife.

David Gilmore has knocked the whole thing into a shape more than acceptable to audiences for whom the author is a figure of either substance or fascination. My favourite moments were supplied by Andrew Cruickshank as the incredulous judge, who appeared to be studying a script in his exalted eyrie, and who provided a moment of disruptive joy in the static first act by *adjourning the case and rising* imperiously for lunch.

Alastair Muir

Wendy Craig and Frank Finlay

Ting Tang Mine/Cottesloe

Martin Hoyle

Nick Darke's new piece at the Cottesloe was originally commissioned as a community play about miners in post-Napoleonic times facing crisis in Cornwall. By a curious piece of planning the National Theatre is also about to give us David Edgar's *Entertaining Strangers* which began life as a community play about early Victorian brewery workers facing crisis in Dorset. For the next few months the American and Japanese tourists who make up a significant proportion of the NT's public will be told everything they ever wanted to know about 19th-century labour relations in the west of England but were afraid to ask.

Carl Toms's set bisects the Cottesloe: tubular climbing frames, planks, a shoot, wheels, a central trampoline mattress—all do service as the copper mine, the river and a ship breaking up on the rocks as the crew tumble and dangle in slow motion. Michael Rudman's production uses music to underline the action throughout (the narration is sung) and Matthew Scott's score ranges from solemn anthems to the whistle and thud of the circus as the players take pratfalls, turn somersaults and generally leap round this glorified adventure playground.

The trouble lies in the plays' lack of a central character. This is not to detract from Robert Glenister's *performance* as Jan May, returning to his native village with a mysterious fortune after years of allegedly travelling the world. Mr Glenister hints engagingly at comic gifts that could make a Cornish Munchausen out of someone who emerges finally as a mere poltroon, except where the uncertain author makes him a callous plutocrat or a thief and possible murderer before blithely tacking on a happy ending.

The plot's mechanics are as arbitrary as the hero's lies. It is never clear why his family casually rejects its long-lost son and his wealth or why, just as casually, he moves on to the neighbouring village to become embroiled in the feud between rival "adventurers" (investors) that ruins his old community. The lump of gold that Gran climactically produces from under her skirts and the cursory polishing-off of the amigrants to America are unsatisfactorily sketchy elements never fully integrated into the story.

Issues are skated over. *Speculator Leslie Sands* (John Bull as capitalist) lobbies against the Labour Protection Bill ("I bribed as many MPs as I could but it wasn't enough") but more facts would be welcome. Period detail is odd: a Jesuit seminary in Cornwall in the Regency? Gleeful references to *Prussia* — our great ally at Waterloo — on her knees? The play is neither documentary, *fantasy* nor good Cornish pilchard.

For all its tantalising glimpses of the effects of primitive capitalism on the lives of the workers *(and for once one* wishes for writing with a sharper political sense), the play founders on the effortful quaintness deemed necessary for community junkets and here embodied by Barbara Jefford's Salathiel Trenannigan, mine-owner and cross-dresser. Miss Jefford strides, swears, swigs gin splendidly, and even flings off breeches, boots and topper *for a night of vigorous* body-contact with our hero just in case we had the wrong idea about her "*sidekick*" (Mr Darke's language is not notable for its period feel) played by Lesley Sharp. But what *is* their relationship? And what is the character Miss Jefford so gamely tackles?

The Cornish accents are variable (Miss Jefford's is the *best)* with *Joyce Grant's* Gran sounding vaguely American. The Rudman company, after an off-target Pirandello and a Turgenev that was exhilaratingly compact and taut, acts together like a real ensemble. Only the play seems unsure of its destination and how to get there.

Alastair Muir

Barbara Jefford and Robert Glenister

Troilus and Cressida/Spitalfields

Claire Armitstead

The National Youth Theatre have encumbered *Troilus and Cressida* with the sort of trendy updating that makes one wonder *why they chose to do it* at all, since they obviously don't have much confidence in its ability to entertain on its own terms. In Matthew Francis' production at Christ Church, Spitalfields, Pandarus is a mountainous Turkish baker, the machine-gun toting Trojans stomp around in Arab headgear, and Ajax is a Rambo strut-alike, who is first glimpsed squabbling with a Hawaii-shirted Thersites over the remains of a McDonald's dinner.

There are certainly possibilities in the transportation of the play to a modern war zone, particularly one that involves the Greeks and Turks, but the references embraced by this production are too diverse and chaotic to give cohesion to a play which is hard enough to grasp as it is. It may make sense for Pandarus to extol Troilus' virtues in front of a video screen trained on the Trojan leaders, but it makes less sense for Oliver Senton's earnest, bespectacled Ulysses to tell the world press — assembled apparently for a briefing in Agamemnon's tent—that "Troy in our weakness stands, not in her strength", and it makes no sense at all then to find the wavering *Achilles* (Christopher Sanderson) sweating out his inactivity in a Turkish bath.

More seriously for a production that aims to provide a showcase for young actors the clutter of video equipment and the flashing of cameras distracts attention from the early scenes, adding to the confusion arising from the fact that a large amount of the dialogue is eaten up by the cavernous Christ Church acoustic.

From the melée of more-or-less functioning technology (responsible, I should imagine, for the 40-minute delay on press night) the scenes between Jon Wood's flaxen-haired Troilus and Lucy Robinson's Cressida emerge with a gratifying clarity. There might not be much in the way of sexual electricity, but this Cressida speaks well and gives a neat account of the quick passions that fire the lady, while her Troilus is more boy soldier than man of action underlining the dynastic theme.

But the show's forte comes in the final act when it abandons the regrettable whimsy of Thersites (an amusing John Capps) dead drunk in a field hospital surrounded by artificial limbs as Cressida in nurse's white surrenders to Diomedes; and pursues the blood and thunder of an all-too-horribly convincing battle sequence. As a statement on the horrors of war this last carnage at least works well.

Shortlist for the Booker Prize announced

The six novels shortlisted for the 1987 Booker Prize for Fiction, the UK's most prestigious literary award, are: Anthills of the Savannah by Chinua Achebe (William Heinemann, £10.95); Chatterton by Peter Ackroyd (*Hamish Hamilton, £10.95*); Circles of Deceit by Nina Bawden (Macmillan, £9.95); Moon Tiger by Penelope Lively (Andre Deutsch, £9.95); The Colour of Blood by Brian Moore (Jonathan Cape, £10.95), and The Book and the Brotherhood by Iris Murdoch (Chatto & Windus, £11.95).

The £15,000 prize will be announced on October 29 at a presentation dinner at Guildhall, in the City of London. London Weekend Television will transmit a programme the previous evening on the short*listed books*, and will televise the announcement on Channel 4. Ladbroke's and William Hill are setting the odds and taking bets on the winner.

This year's judges, chaired by the crime writer, P. D. James, are Selina Hastings, Allen Massie, Trevor McDonald and John B. Thompson.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Exhibitions

September 18–24

PARIS

Fine Prints in France from the 16th to the 19th century. More than 200 impressions of exceptional quality from the print department of the Bibliothèque Nationale show the infinite possibilities of artistic expression through varied techniques of printmaking. The panorama ranges from early engravings showing strong Flemisch, German and Italian influence to the majestic Grand Siècle style under Louis XIVth, from Boucher's pastel-hued sujects galants to the modernity of Toulouse-Lautrec and the striking colours of Bonnard. Bibliothèque Nationale, Galerie Mansart, 58 rue Richelieu, ends Nov 2.

LONDON

The Tate Gallery. Turner in the new Clore Gallery: The Turner Bequest, which amounts to nearly 300 oil paintings, finished and unfinished, and a further 19,000 or so watercolours and drawings.

WEST GERMANY

Hildesheim, Roemer- und Pelizaeus-Museum, Am Steine 1-2. Egypt's rise to a World Power: More than 300 pieces loaned by 20 museums in Europe, Africa and America – the first presentation of the most important 150 years 1550-1400 BC of the New Empire in Egypt. The bust of Pharaoh Thutmosis III, discovered in 1907 without a face, can be seen complete in Hildesheim. The face, found in Egypt only 20 years ago, was loaned by a Cairo Museum. Another highlight is a reconstruction of the 3000 year old burial chamber of Sennefer, the former mayor of antique Thebes. Clothes, household appliances, tools, cosmetics and jewellery illustrate the everyday life of Egyptian citizens. Ends Nov 29.

ITALY

Rome: Palazzo Braschi: Painter-Photographers in Rome: 1845–1870: The term Painter-Photographer was used almost up to 1970 to describe the early photographers, even if they had never painted. An absorbing collection of documentary photographs of Rome, including a collection by the English archeologist, John Henry Parker, and some striking portraits, all from the archives of the Rome Comune. Ends Sept 27.

Venice: Palazzo Grassi: Jean Tinguely: 1954–1987: The jokey mechanical sculpture of Swiss artist Jean Tinguely. A gentler, but still mischievous, version of Salvador Dali, Tinguely describes some of his incredible moving sculptures (all built from refuse iron and steel) as "machines a sentiments," and the complexity and sheer improbability of his works communicate a touching "joie de vivre." Over 300 works are on show, lent by American and European museums, with photographs of his first Self-Destructing Sculpture. Homage to New York, which duly self-destructed in the gardens of the Museum of Modern Art in New York in 1960. Ends Oct 18.

NEW YORK

IBM Gallery: Post Modern Architectural Visions includes an international array of designers including Michael Graves, Hans Hollein, and Adolfo Natalini with 200 drawings and models of work from 1960 to 1985, originally organised by Williams College and Deutsches Architekturmuseum in Frankfurt. Ends Nov 7. 56th & Madison (407 6100).

CHICAGO

Art Institute: Walker Evans photographs of the 1930s showing poverty and despair in the American South were famous in their time in Life Magazine and preserved in James Agee's moving book, Let Us Now Praise Famous Men. This exhibit is a reminder at a time of renewed despair in the American heartland of the scope and depth of Evans' work originally done for the Farm Security Administration. Ends Nov 8.

WASHINGTON

Hirschhorn Museum: One of the Chicago contemporary primitivists whose repeated scenes make evocative images has his first major east coast retrospective with 49 paintings and four painted constructions. Ends Oct. 18.

TOKYO

Modern Japanese Paintings of Yasushi Sugiyama. 120 works of one of Japan's foremost contemporary artists. From Nihonga (19th century, Western-influenced Japanese painting) to abstract futuristic themes, he is one of Japan's most prolific artists. National Museum of Modern Art, near Takebashi Station, off Imperial Moat. Ends Sept 27.

Saleroom/Antony Thorncroft

No buyer for VC

The VC won by "Tubby" Linton, an audacious submarine commander who was lost with his ship in the Mediterranean in 1943 failed to find a buyer at Glendinings yesterday. It was bought in at £48,000, just below the auctions rooms' bottom estimate of £50,000. There are however hopes that a priviate *sale may be arranged* when the vendor, the hero's son James, has been contacted.

The estimate was high because VC's won by submariners are rare — only nine were *awarded in the Second World* War and four of these were for exploits in "midget" submarines. Linton accounted for over 100,000 tons of enemy shipping, including a cruiser and a destroyer, as well as three arms trains by off-shore gun attacks.

Some doubts have been expressed about the complete authenticity of the Linton set of medals, which also includes *a DSO. The inscription* on the bar of the VC does not match the records of Hancocks, the makers of VCs, but the family provenance obviously overcame the doubts of at least some prospective buyers. By a strange coincidence another VC for for exploits on a submarine comes up for auction next month — at Sothebys. It went to Thomas Gould: once again the experts are not completely happy about all the details on this set.

Sothebys has been so successful in making a saleroom market out of garden statuary that it has added an autumn sale to its summer jamboree at *its Sussex offshoot in Billings*hurst. This began modestly yesterday morning with a total of £96,470 and continues today. The top price was the £4,840 paid by a Kent dealer for a pair of cast and wrought iron gates 312 cm high and 180 cm wide, with accessories. GNC, a London dealer, acquired a pair of cast iron figures of pages, made this century, for £4,180.

Three magnums of Chateau *Latour 1900, a good year for one* of the very finest wines, sold for £1,320 for one and £1,210 each for the other two. They had been given to Mr Jeremy Marshall Roberts, owner of a wine shop at Corby Glen in Lincolnshire as *a* reward for apprehending the thieves of a large consignment of fine wines. He was offered the bottles, was suspicious about the source, tipped off the police and yesterday cashed in his reward from the French owner at Sothebys. The prices were within the estimate.

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Thursday September 24 1987

The Iranian challenge

IT IS now quite clear that there is no chance of Iran accepting a ceasefire unconditionally, or on the basis of Security Council Resolution 598 as it stands. Iran will not renounce its principal war aim, which was restated very forcefully by President Sayyid Ali Khamenei in his speech to the General Assembly on Tuesday: "to punish the aggressor."

It remains possible that Iran would settle for less than the deposition and trial for war crimes of the Iraqi leader, which it has demanded in the past. But clearly Iran will not accept any peace formula that puts the two parties to the conflict on an equal footing.

At most it might observe an undeclared ceasefire while the UN apportions responsibility for the war, but there is obviously scope for a long argument about the competence and nature of the tribunal which would investigate that responsibility. The UN should not allow such arguments to become a smokescreen behind which Iran would relentlessly continue the war.

UN reluctance

The Security Council could easily cut short the argument by simply naming Iraq as the aggressor on its own authority. None of its members can be in any serious doubt that this would be historically accurate. Their reluctance to do so must be attributed mainly to unwillingness to make a concession to Iran, and partly to fear of alienating Iraq.

The latter point should not be decisive. The Security Council is in a much stronger position vis-a-vis Iraq than it is vis-a-vis Iran. Two of its members, France and the Soviet Union, are Iraq's main arms suppliers, without whose support Iraq would find it very difficult to continue the war.

Reluctance to make concessions to Iran is much more understandable, in view of the country's highly provocative behaviour. In fact Iran has this week issued a very direct challenge to the Security Council by both deed and word. On Monday it attacked an unarmed ship flying the British flag and then was caught red-handed laying mines in international waters. On Tuesday President Khamenei treated the General Assembly to a blatantly mendacious account of the minelaying incident and then profusely insulted the Security Council itself, describing it as "a paper factory for issuing worthless and ineffective orders."

Effective action

The Council owes it to the world to prove him wrong. It must now take effective action to bring the war to an end. But what action?

The course it is nearest to agreeing on is an embargo on arms supplies to Iran. This should indeed be proclaimed—not as a one-sided gesture but as applying to any party that ignores the Council's order to cease fire. It could then be made clear to the Iraqi leaders that the embargo would also apply to them if their troops opened fire other than in self-defence, and particularly if they continued their attacks on Gulf shipping.

But an arms embargo alone is unlikely to be sufficient. A boycott of Iranian oil would be much more directly damaging to Iran and should be quite feasible for the rest of the world, given the present abundance of oil on the international market. Japan and certain European countries would not like it, but could be put under very strong pressure by their western allies.

Finally, the present naval free-for-all in the Gulf should be replaced by a single international force acting to protect neutral shipping with the Security Council's authority. The objection to this up to now has been that if such a force included American ships it would also have to include Soviet ones. But that is not a serious objection. There are Soviet ships in the Gulf already, and it is not they who are threatening the freedom of navigation. If the Americans are now serious about using the UN as its founders intended and maintaing the unity of the five permanent members of the Security Council, as their rhetoric suggests, then they should welcome, not fear, collaboration between their forces and those of the Soviet Union in protecting the peace.

In the context of such decisive action, the Security Council could, without loss of face, inform Iran that it is well aware who started the war, but that the war must stop before any action of redress or punishment can be considered.

Trouble ahead in Zimbabwe

Mr Robert Mugabe, Zimbabwe's prime minister, appears determined to take his country down the road to a one party state. This week the Government ordered the closure of all the offices of Mr Joshua Nkomo's Zapu party (which is already constrained by a ban on rallies and public meetings), arguing that the measure was part of a programme designed to overcome security problems posed by rebels operating in Matabeleland and Midlands provinces. This de facto proscription of a party which is supported by at least a fifth of the population is neither sound in principle nor likely to be effective in its application.

Violent upsurge

It is not sound in principle because Africa's sorry record suggests that whatever the rationale of a one party system (overcoming tribal divisions, for example) in practice there usually emerges an authoritarian state. Mr Mugabe, whose rigid control of the media suggests that he may be moving in that direction, might not be swayed by this concern. But he should consider the adverse security consequences of the moves against Zapu and think again.

No-one would dispute that Mr Mugabe has a serious problem, especially in Matabeleland, the traditional stronghold of Zapu. A shadowy group of rebels, in all probability former members of the Zapu guerrilla army that became part of an integrated national army after independence in 1980, has been responsible for the murders and banditry which have disrupted the province. Nearly 60 white farmers have been killed, many more than during the pre-independence guerrilla war. A recent upsurge in violence, including the deaths of two white farmers and six black government health workers, has further aroused government anxiety.

Two brutal government campaigns against the rebels in 1983 and 1984 backfired when national army troops killed at least a thousand civilians and further widened the rift which has existed since the 1960s between Zapu and the ruling Zanu-PF party. The question today is whether the problem in Matabeleland can be resolved by banning Zapu, whose leadership denies any association with, or sympathy for, the rebels.

The answer is that such a move is far more likely to exacerbate the problem, fuelling resentment against the Government and giving the rebels a cause. If, as the Government so frequently alleges, there is evidence to suggest that the rebels are encouraged and assisted by Zapu, Mr Mugabe already has one powerful recourse. The draconian security legislation and the emergency powers drawn up during the days of white rule are still on the statute books. These are surely adequate to deal with alleged plotters and dissidents.

If Mr Mugabe does believe that an end to Zapu will help resolve the security problems, then he should persevere with the long-running efforts to negotiate an amicable merger of the two parties.

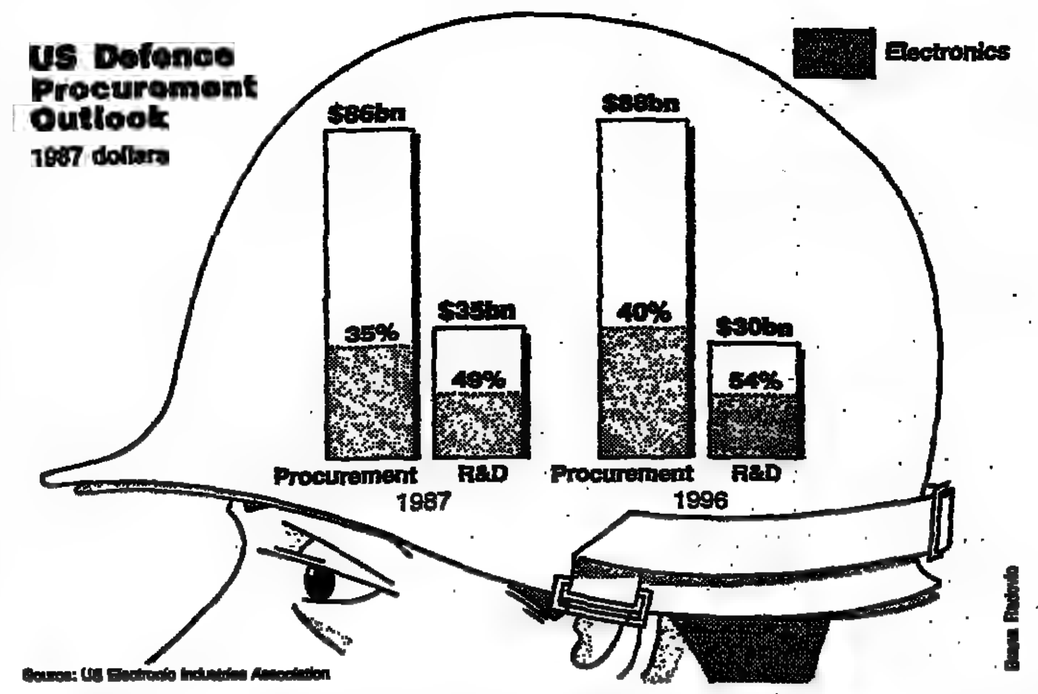
Admittedly these efforts have had a troubled history. The Prime Minister's generous inclusion of Zapu members (including Mr Nkomo) in the first post-independence cabinet soon ended when the Government accused the rival party of plotting against it. Sporadic rounds of talks aimed at merging the two parties have since taken place, the most recent early this year when an agreement seemed imminent, in which Mr Nkomo would have served under Mr Mugabe as one of two deputy prime ministers.

Hegemony

The agreement collapsed partly, it would seem, because senior members of the Zanu-PF hierarchy and cabinet ministers were reluctant to make room for the Zapu newcomers and in some cases drop down the pecking order. What appears to have prevailed is a belief in Zanu-PF hegemony, forcefully expressed this week by Mr Enos Nkala, the Minister of Home Affairs, who announced the closure of Zapu offices. "Zanu-PF rules this country . . . anyone who challenges that is a dissident and should be dealt with." If that is the sentiment that guides the ruling party, Mr Mugabe can expect more trouble in Matabeleland, a ban on Zapu notwithstanding.

David Buchan on foreign investment in US defence electronics

A trench too far



Source: US Electronic Industries Association

FOR THE British defence industry, like its civilian counterpart, the US is an irresistible market. But the events of the past week have demonstrated that the Pentagon's protectionist attitudes can be applied as vigorously as repelling foreign investors as they have in the past to purchases of foreign weapons.

So far the record on foreign investment has been mixed. GEC, Dowty, Lucas Aerospace and Smiths Industries have all recently bought US defence contractors. This week brought announcement of Ferranti's agreed merger with International Signal and Control (ISC), a US-based though London-listed, defence company. But at the same time the news that Plessey's bid for Harris Corporation had run foul of the Pentagon for national security reasons. And British Aerospace has been waiting several months for Pentagon approval of a "special security arrangement" that would allow it to take control of Reflectone, a Florida-based maker of defence simulators.

The large, but ill-defined £4bn a year UK defence electronics sector which includes every major electronics company in the country, has joined the general gadarene rush for corporate acquisitions in the US partly because of cyclical factors—like a cheap dollar.

But there are other special reasons why this sector feels the need to grow, and to grow abroad. Companies see limited prospects for increased defence sales or market share in the UK. British defence spending looks, at best, as if it will remain at current levels during the 1990s, and the 1986 veto of the GEC-Plessey takeover by the Mergers and Monopolies Commission (MMC) is seen by the defence electronics companies as a landmark decision forcing them to look abroad for major acquisitions.

The UK Ministry of Defence, whose evidence that a merged GEC-Plessey would drastically reduce defence procurement competition was decisive in the MMC decision, says that that case set no precedent regarding other re-alignments in the domestic industry.

Nonetheless, while claiming the industry may have misunderstood its stance after the GEC - Plessey decision, the Ministry of Defence is delighted with the effect of that misunderstanding. "If, as a result of their expansion abroad, we have a number of UK companies which regard the MoD as a customer of substantial, but not overwhelming, importance, then they can afford to take a more relaxed view on MoD contracts, and so can we," comments a senior MoD procurement official. In other words, the MoD can pick and choose more on contract profitability — to their mutual benefit. It is because the MoD, with its £8bn annual equipment budget, is presently British industry's biggest single employer that UK defence procurement has so often been intertwined with politics.

The Pentagon, however, is not so pleased at the prospect of foreign companies buying access to its more sensitive defence programmes, which these days usually involve a high degree of electronics. Washington may have a special relationship with the UK Government on defence information, but this does not extend to UK private companies, except to some extent in the framework of Strategic Defence Initiative (SDI) research.

The upsurge in UK—and other European companies—buying US defence contractors also coincides awkwardly with an increase in the number of US defence programmes classified "no foreigners" and of super-secret "black programmes" whose very existence is classified. Plessey is refusing all comment on its abortive bid for Harris, as it is still trying to make a major US defence purchase and has considerable business pending with the Pentagon which it obviously does not want to upset. But it is likely that it initially had no idea of the sensitivity of Harris's $800m (£488m) a year defence business—the US company may have one or more "black programmes" in train.

But the Pentagon's veto of the Harris purchase last April has not stopped UK defence contractors, particularly in the electronics field, from continuing to knock on America's door. There are several reasons for this.

First, the UK defence electronics sector is relatively fragmented compared to those of continental Europe, where the large monopolies or near-monopolies of Thomson-CSF in France, AEG and Siemens in West Germany and Philips in the Netherlands predominate. Britain, by contrast, has British Aerospace, GEC, Plessey, Ferranti, Racal, Thorn EMI, and STC as its biggest makers of military electronics — but these are generally small companies compared to their European or US counterparts.

Second, as the level of spending on defence electronics continues to rise—even in the UK —while total defence spending falls or levels out, it tends more and more to be clustered in bigger, and fewer, programmes. At the same time there is a tendency for electronics companies to take over prime defence contracts from traditional "metal bending" contractors. This trend, most evident in the US —where IBM is now responsible for the LAMPS helicopter and RCA is in charge of the Aegis ship defence system—is also visible in France with Thomson now a prime submarine contractor, and is expected to spread to the UK. Thus, understandably, UK electronics companies feel they need to be bigger to bid for, and take on, these new bigger contracts.

Third, there is more for the British industrialist to buy in the US than Europe. Few European defence contractors of consequences would be open to foreign purchase. The pledged privatisation in France of Thomson and of Matra, the missile maker, raises the possibility of foreign participation there, but this does not seem promising in such a government-directed sector as the French defence industry. In any case, UK companies can always enter the European market through the now-frequent arms collaboration projects, of which the UK government is a keen protagonist.

By contrast, there are many candidates for acquisition in the US: in the past three years such defence electronics companies as Hughes, RCA, Hazeltine, Sperry Aerospace, Argosystems, Goodyear Aerospace and Electrospace Systems, have been taken over, admittedly by domestic US companies. Though GEC of the UK, for instance, bought Cincinnati Electronics some years ago, most UK companies are in fact rather late getting into the market.

"The first thing one looks at (in examining a potential US defence purchase) is the security problem," says Dr Ian McBain, responsible for GEC's defence activities. GEC itself recently bought the part of Lear-Siegler which makes flight control equipment and remotely piloted vehicles (RPVs) to fit in with GEC Avionics, while the other half of Lear-Siegler is due to go to Smiths Industries of Cheltenham. Less than 10 per cent of the Lear-Siegler operations which GEC has bought are considered sensitive, and "we have an interim agreement to cover those," says Dr McBain.

Other recent UK purchases which have apparently not posed security worries at the Pentagon are: the acquisition by Dowty of a defence-related hydraulic company, Lucas Aerospace's purchase of a wing flap maker, Pilkington's purchase of a cockpit glass maker, and British Petroleum's purchase of a defence-orientated ceramic manufacturer.

But when the Pentagon raises the red flag of security with regard to a foreign purchase, the foreign buyer appears to have two options with his US defence subsidiary. One is to put in a sort of "blind trust," with American trustees running the show effectively. The snag is that it is hard to remove such trustees, even on grounds of senility or incompetence. The other is to place Pentagon-approved proxies on the US subsidiary's board who filter out sensitive technical data and prevent it from reaching the foreign owners. Because of its largely non-US ownership, ISC has such proxies on the board of its US operation.

Where genuine national security is concerned, the Pentagon's protectionism is easily understood. Less easy to defend is the set of concerns which led the Defence Department to bar Fujitsu of Japan from buying Fairchild simply because it meant too many Japanese semiconductor chips would be going into US weaponry. But anxiety about military secrecy needs to be kept within bounds if the US is to get the foreign competition in its defence procurement that it says it wants.

THURSDAY BOOK REVIEW

The Insiders, the Truth Behind the Scandal Rocking Wall Street

By Mark Stevens
Harrap £12.95

Wall Street's Insider Trading Scandal

By Douglas Frantz
Holt $19.95

IT IS NEARLY 18 months since Dennis Levine, the fat boy from Queens, gave himself up to federal prosecutors in downtown Manhattan and set in motion a wide-ranging investigation of securities fraud on both sides of the Atlantic.

In that time, the investigation has revealed some quite spectacular greed and cynicism in Wall Street and the City and given the public at large a great deal of pleasure. Yet it has raised as many questions as it has answered. What is insider trading? Does insider trading matter? Can or should insider trading be stopped? And why, why do people engage in it?

These two books, written by American journalists, make fitful attempts to answer such questions. But primarily, they are accounts of Dennis Levine's career at various Wall Street investment firms and use as their main source the voluminous records of the investigation by the Securities and Exchange Commission. Both books are noticeably light on new material about Ivan Boesky and Martin Siegel—the two who are energetically co-operating with the SEC and have yet to be sentenced.

Anybody who thinks insider trading is not a crime can learn a lot from Levine's career. He made profits of over $12m (£7.3m) from bullying and blackmailing informers scattered about the Wall Street investment houses. He even spoke like a criminal: "If you ever talk to the SEC," Frantz has him telling Ilan Reich, one of his agents, "I'll cut your balls off." He once (jokingly?) talked of taking out a contract on Bernie Meyer, the Swiss banker who handled his trades from Bank Leu in the Bahamas. Even by Wall Street standards, that is going it a bit.

Levine's is a riveting and sometimes ludicrous tale. At the height of his power and influence as a managing director of Drexel Burnham Lambert, he was the unwitting head of a daisy-chain of insider traders stretching twice round the Caribbean. Not only were the cautious but greedy Swiss "piggybacking" his trades, complete strangers at Merrill Lynch's Caracas office saw a successful account and copied its every deal.

In fact, it was a grudge letter from Caracas, written in fractured English and informing on the local traders, which finally led the SEC to Levine. Frantzs book is very good on this investigation, with a splendid account of the inch-by-inch negotiations—between Harvey Pitt, the lawyer for Leu (and now Boesky), and Gary Lynch, the head of the enforcement at the SEC—to trade Levine's name for immunity for the Swiss. For those who complain that Lynch and Rudolph Giuliani, the US attorney, are all bogged down in the investigation, Levine's case is a timely reminder of the difficulty of the prosecution's job.

Yet for all this, the Levine of these books is never believable. He is portrayed like a character in a 1940s thriller: middle-class boy from Queens robs and steals so he can one day own a Park Avenue co-op. When caught, he rats on his friends. Though Levine is quite evidently a first-class creep, without Boesky's svengali glamour or Siegel's brilliance, he must surely be a little more complicated than that.

Stevens' book attempts to place Levine in a Wall Street context, but this soon becomes a mere catalogue of SEC investigations from the Thayer case to the yuppie five. The writer affects a hard-boiled style, saying in effect, that Wall Street has always been corrupt and you better like it, buster.

The book also seems to argue that there are now so many "insiders" on a deal that secrecy is impossible anyway. This is an occasion for an inconsequential series of portraits of public relations men and proxy solicitors and other Wall Street sub-species. The Insiders, which is published in England, is written in Wall Street cliches throughout: direct speech contains swear-words but is otherwise indistinguishable from the writer's narrative.

Frantz goes a little deeper. He looks through the nonsense about the moral imbecility of the Levine generation to what is actually expected of people like Levine on Wall Street: "throughout his career, Levine was rewarded for his ability to develop information that no one who knew him could have believed was the result of his brilliant analysis of stock prices or financial data." Levine produced the goods for Lehman Brothers and Drexel Burnham with no questions asked.

No one who knew him could have believed Levine's information was the result of financial analysis

Neither book considers one obvious solution for Levine-style gangsterism on Wall Street: repeal of the financial equivalent of prohibition, the Glass-Steagall Act. If Wall Street's investment bankers had to compete with commercial banks for securities business, they might think twice about hiring men who bring them into disrepute.

James Buchan

Men and Matters

Kirby in the fast track

Railway executive and hCannel Tunnel enthusiast David Kirby, aged 54, who was yesterday appointed a vice-chairman of the British Railways Board, is the new man to watch in the top BR hierarchy.

He is the industry's preferred internal candidate to be the next chairman when Sir Robert Reid, chairman since 1983, goes.

The choice will be the gift of Paul Channon, secretary of state for transport (or his successor).

As Reid is expected to stay until 1990, when he will be 69, Kirby will have ample time in the next few years to show his mettle in his new job.

He has been placed in charge of all BR railways business. Of BR's total workforce of 150,000, about 140,000 are now under his command.

Since joining the BR board, and becoming joint MD of the railways business, two years ago, after a career in BR management, Kirby has been handling the Chunnel negotiations.

In the process he has become convinced to his own satisfaction that the Chunnel will revive BR's fortunes more quickly and decisively than any other possible future investment.

If he moves into the chairman's office Kirby should be in post at least two years before the tunnel opens. After it is running he expects BR to triple — in its first operating year — its share of Britain's import-export freight business.

BR is at present getting state subsidies of £768m a year. They will be cut to £550m a year by 1990. By that date also, BR's workforce is likely to be down to about 125,000. One third of that money, he says, will then go to subsidise the big city commuter services. The remaining two-thirds will go towards provincial areas. "There will not be any government support for freight, parcels, or Inter-City" he says emphatically, "The core subsidies remaining will be there because of political decisions that they are necessary."

Kirby has worked for BR since joining as a management trainee in 1954 after Oxford. He was a booking clerk for a brief period but regrets they never let him be a stationmaster, even of a small country halt.

He ran Sealink from 1974, and later was general manager of the Southern Region of BR until he joined the board.

Looking up

Meanwhile, Jean-Loup Dherse has left the Channel Tunnel to build a stairway to heaven.

Dherse has just left the Anglo-French Eurotunnel consortium, where he was chief executive, to join the Vatican.

Next month he will become the executive secretary to the Synod of Bishops in Rome. Surprising as the move may seem, it is in fitting with Dherse's personality and deep religious convictions.

Trained by the Jesuits, Dherse, aged 54, has had a distinguished career in public service and industry. He worked at the French industry ministry before joining the private sector moving into a series of major groups including the French Pechiney aluminium concern and the Lafarge cement group before ending up with Rio Tinto Zinc.

Five years ago he became the vice president of the World Bank responsible for energy before being recruited by Eurotunnel.

Throughout his career, Dherse has remained a practising and devoted Roman Catholic. He goes to church every morning before setting off for work, and his decision to move to Rome clearly reflects his ecclesiastical penchant.

Moreover, he will arrive at the Vatican at a time when the church appears in need of a little financial expertise.

Dherse's days at Eurotunnel did seem to be numbered. With the ratification of the tunnel treaty this summer, his main task had been completed. For Dherse had been essentially recruited to coordinate the negotiations between the industrial groups and the governments to enable ratification of the tunnel treaty.

Dherse, however, was not deemed tough enough to head up the next phase in the tunnel saga—the construction of the fixed-link itself.

He is now being replaced as Eurotunnel's chief executive by Pierre Durand-Rival, the current French managing director of the consortium. A former steel man, Durand-Rival has the reputation of being an industry tough guy used to dealing with big bullying construction groups and difficult unions.

Without interest

The Institute of Welsh Affairs, which is to be launched in Cardiff next week, is seen by its founders as a truly great and good body which will soar above the in-fighting of politicians and trading folk, and work for the betterment of Wales.

Its closest model in the UK is probably the Scottish Council.

Upwards of 100 would-be mebers have already sent their personal cheques for a year's subscription.

But, taking the view that the institute does not yet officially exist, the organisers have stuck all the cheques on a spike for the time being instead of cashing them.

Seems that they really do have a lot to learn from the Scots. . .

Into orbit

Anthony Simonds-Gooding is the sort of name that headhunters tend to reach for when they've got a slot for a fast-moving executive with experience in consumer products.

The former group chief executive at Whitbread, and chief executive of Saatchi & Saatchi's communications division, was in the running for the top job at Guinness after its recent little spot of bother.

Yesterday the headhunters got their way and Simonds-Gooding took on a new job as chief executive of British Satellite Broadcasting.

BSB is the private sector consortium planning to launch three new channels of television in the UK in 1989 direct from a satellite to individual viewer's homes.

Simonds-Gooding, very much a marketing man, who started life as a Unilever management trainee, says he is confident that BSB can be established as the major competitive force in British television.

Michael Grade, director of programmes at BBC Television, who was ever so discreetly sounded out for the BSB job himself, might have a word to say about that.

Promises

After saving his roubles for many years a Russian went along to buy his first motor car.

The order was taken and he paid his money.

"When can I collect it?" he asked nervously. "In 10 years from today, comrade," he was assured.

"Yes, but will it be in the morning or the afternoon," he persisted.

"Does it matter comrade?"

"Well, it does . . . the plumber is coming in the morning."

Observer

ECONOMIC VIEWPOINT: JAPANESE TRADE

Hysteria in perspective

By Martin Wolf

WHAT WOULD be the reaction to a pamphlet arguing that south-east England may neither spend less than the total value of its production nor sell to another region of the UK any more than it purchases?

The response would be ridicule. The hapless authors would be asked whether, since the region is no more than an aggregate of individuals, the same logic would be applied to each resident. Should every citizen be prevented from saving? Should every baker be required to purchase cabbages from his greengrocer equivalent in value to the bread he sells to him? If one may borrow the phrase advanced by David Henderson in his 1985 Reith Lectures, these ideas smack too obviously of do-it-yourself-economics (DIYE) to have credibility.

As soon as one turns from the domestic domain to international economic relations, however, and especially when Japan is mentioned, one finds that what was ridiculous suddenly becomes conventional. "Japan should accept as a national goal a situation where . . . its bilateral balance of payments with the European Community would enter equilibrium within five years." Furthermore the aim should be "current account balance by the end of 1992."

The authors of these words, James Moorhouse MEP and Anthony Teasdale, in their tract, Righting the Balance: a New Agenda for Euro-Japanese Trade, published by the Conservative Political Centre in London, believe that lending and even bilateral surpluses become intolerable as soon as the collections of individuals engaged in economic activity enjoy labels like "Japan," "the United States" or "the European Community" (EC).

Their quintessentially mercantilist vision is shared by most of the policy-makers in the EC and the US who deal with what is known as "the Japan problem," by which they mainly mean the Japanese current account surplus and the bilateral surpluses with their own economies. The value of the pamphlet is that it articulates this pervasive view with exceptional clarity.

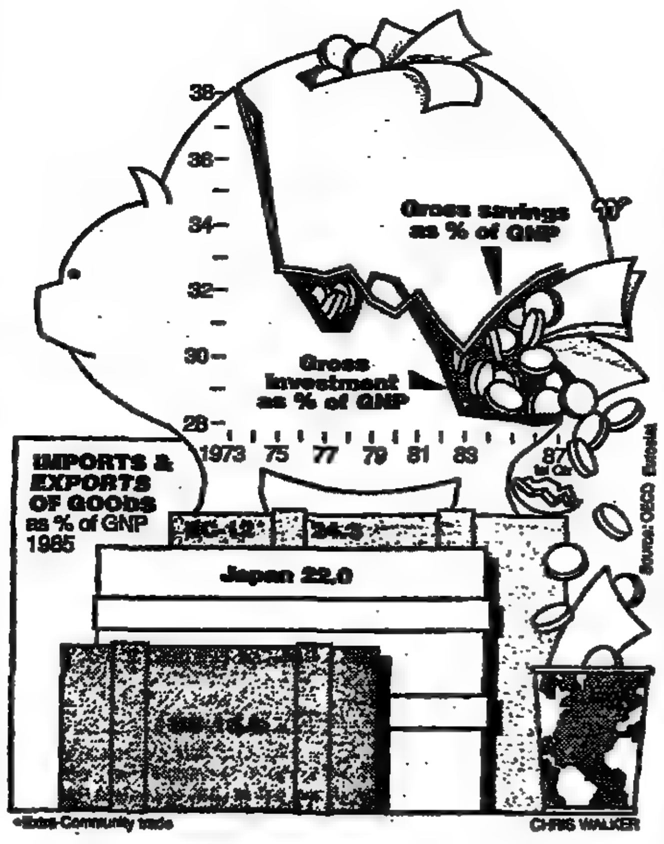
What is the argument? Japan, it is asserted, is an especially import-resistant economy, which is also uniquely dependent on the growth of exports. Exports are dumped on markets which are subjected to "laser-beam targeting" until Japan's competitors are driven out, whereupon prices are raised. Such predation is made possible by the collusion of the Japanese Government with private circles to exclude imports and keep the yen undervalued. The pattern of unbalanced export-led growth generates vast bilateral and overall surpluses, which impoverish the rest of the world and, in particular, undermine the industrial health of Japan's partners.

The solutions follow from the analysis. Japan should increase its import propensity by conscious policy and should also aim at bilateral "equilibrium." In addition, Japan should apply across-the-board export restraints or, alternatively, be faced with a "coherent tariff strategy" in sensitive sectors. Anti-dumping policy should be made still more vigorous, while Japanese practices should also be pursued more energetically in the General Agreement on Tariffs and Trade (Gatt). Furthermore, the Japanese financial market should be opened more fully to European competitors, while Japanese inward-investment must be more carefully monitored and controlled.

What is under discussion is not a minor issue but the relations among the world's major economies and the functioning of the global system of trade and payments. Do economic principles really become totally different when transactions between countries are involved?

The fundamental error in the DIYE view of Japan is the assumption that trade outcomes are the result of trade policy. In a world of capital mobility, however, it is the balance between savings and investment that is the primary determinant of current account balances.

The focus upon the saving-investment balance is the correct perspective because the ability to set interest rates independently is quite limited, even for Japan, as capital mobility incerases. Meanwhile, the effect of the real exchange rate upon this balance, through changes in levels of economic activity, in the distribution of income and in expectations about the returns on investment, while real, is of a secondary order.



*Extra-Community trade CHRIS WALKER

Japan's savings, investment and current account balances as shares of gross national product (GNP) are shown in the chart. They relate to what is the most intriguing and perhaps most surprising aspect of Japan's economic performance: its sharp deterioration. Before 1973 Japan grew at about 10 per cent a year, but since 1973 Japan's growth rate has averaged about 4 per cent.

Associated with the decline in the rate of growth was a sharp decline in the rate of investment, by about 10 per cent of GNP. Meanwhile, the rate of savings has also fallen, but by less than the rate of investment. What are seen from outside as enormous current account surpluses are the result of the changing differences between the declining trends in these two much bigger magnitudes.

In the mid-1980s, Japan has been exporting a seventh of her total savings, presumably because of the lack of sufficient opportunities for investment at home. Furthermore, and more puzzlingly, the Japanese Government seems to have decided that foreign assets are more valuable than a substantial increase in deficit-financed public investments at home, despite the huge foreign - exchange losses experienced on those investments.

An interesting aspect of these figures is that the rate of gross investment looks rather high for the prospective rate of growth. It would not be very surprising if the rate of investment were to fall further, which could mean another increase in the current account surplus after the present adjustment to the rise in the yen has been completed.

These figures for the capital account allow us to put the worries about Japan on a different perspective. As the chart indicates, Japan's trade ratios are not so low overall, but with only 25 per cent of imports in the form of manufactures, Japan does, indeed, have a lower propensity to import such goods than other developed countries. Whether this is the result of trade policy is a controversial issue. Thus, the Institute for International Economics in Washington estimated the potential increase in Japan's imports from the US, following radical import liberalisation, at only between \$5bn and \$8bn (£4.9bn) in 1985 or, at most, a fifth of the bilateral trade deficit in that year.

Nevertheless, let us accept for the sake of argument that Japan really is import-resistant.

The first implication is that, with imports assumed to be kept to a minimum by Japan's import-resistance, exports are determined by the level of imports and the savings-investment balance. Furthermore, those exports are rather low, just because imports are rather low. In 1985, for example, if Japan's import propensity for manufactures had been the same as West Germany's, then Japan's exports would have been some \$325bn, not much below double their actual level. Such an increase in exports to what outside critics consider to be normal levels would have created a much more difficult adjustment problem for the rest of the world.

The second implication is that, with low exports and a modest long-term increase (by international standards) in the ratio of exports to GNP, it makes little, if any, sense to see Japan's economic growth as more export-led than that of other countries. This does not mean that Japan is not export-dependent. Given her resource endowment, exports are clearly essential for survival.

The third implication is that many of the proposed remedies for the alleged disease would make it worse. For example, a comprehensive programme of export restraints is not merely a way of compelling Japanese firms to create a cartel against our own citizens. It would also tend to lower the tendency to invest in Japan (because of the quantitative limitations on exports) and increase the savings to finance such investment as higher prices of exports lead to enhanced profits. The current account surplus might then rise, not fall.

It can be concluded that, apart from the problems associated with the nature of Japan's comparative advantage, the main issue is the capital account. Indeed in 1984, 1985 and 1986, long-term private capital outflows exceeded Japan's recorded current account surplus. The issue is whether the rest of the world can live with the consequence of the increasing international integration of the financial markets of a large, high-saving economy.

The outflows themselves are really quite modest. By way of comparison, the UK's exports of capital from 1870 to 1914 were generally at least as high a proportion of national income as the current level in Japan. In some periods they accounted for half of total savings. From the point of view of the rest of the world, Japan's capital account deficit has been augmenting the total pool of savings by 4 per cent or so. Since capital inflow would normally be seen as a benefit, an inability to absorb this modest amount is a depressing commentary on economic inflexibility.

To attempt to solve a capital account problem by trade policy means is not merely futile, but dangerous. Furthermore, many of the supposed trade policy problems are mythical. In a multilateral economy, concern over bilateral imbalances makes no sense. Where problems of individual industries or activities arise, they should be solved by focusing not on trade balances with particular countries, but on sensible measures to assist those particular activities.

More fundamentally, if it really is impossible to use Japanese exports of capital in a more sensible way than the simultaneously desired-and-detested one of financing the American budget deficit, the solution has to be to ask Japan to curb its capital exports. One would then have to conclude that the breath spent promoting the integration of global capital markets was largely hot air.

Samuel Brittan is on holiday and will resume this column next week.

JOE ROGALY

Thatcherism's dependents

THE CARING industry is alive and well and prospering as never before under Mrs Margaret Thatcher. This is one of the ironies of the British Prime Minister's three terms of office to date. For her government is perhaps the most ideologically-motivated in modern British history, and a central thrust of that ideology is towards the reduction of dependency. Yet the number of people who depend upon supplementary benefit, the basic state handout, has roughly doubled since she became Prime Minister in 1979. And a sixth or more of the population constitutes the client base of what is known in the trade as the PSS, the personal social services. This is the youngest child of the post-war welfare state, born in the early 1970s long after social security, the National Health Service, the current education system, and council housing.

As the fifth social service the PSS is relatively cheap; this year's budget is a mere £2.8bn after charges. Yet the government is quick to remind its practitioners that this represents a 16 per cent increase, in real terms, on 1981. It is still rising, in real terms, and will probably have to go on doing so under even the hardest stare the Treasury can manage. For the growth in clients seems inexorable. At the turn of the century, which is getting very close, there will be 9.2m people aged over 65. That is 7.5 per cent more than there are today. The rise may seem manageable enough—until you look at the breakdown, which indicates a 71 per cent jump in the number of people aged 85 or over.

This kind of statistic is at the heart of the matter. The men and women who manage the PSS, the 121 assorted directors of the social services departments of Britain's local authorities, are meeting in Glasgow this week. It is quite plain from just a few hours among them that many of their clients really are in dire straits — battered or neglected children; very frail old ladies with no money, no caring relatives, and fading minds; victims of drugs, alcohol or AIDS and all the other unfortunates on this sadly familiar list.

You may imagine, as I did, that the large staffs commanded by some of these well-rounded, smartly dressed, directors are mainly bureaucrats or—worst still in some eyes — trained social workers. In fact, the bulk of PSS employees are home-helps, or nurses and cleaners in old people's or children's homes, or similarly active staff. There may be too many administrators, but that is a detail. The essence of the matter is that it will continue to be necessary for the state to support a growing PSS.

The intellectual failure to grapple with this fact is the great ethical void in current Conservative ideology. It is surely correct to insist, as Mrs Thatcher did once again in a celebrated exchange on television the other day, that state expenditure is really money taken out of the pockets of the wealth creators. It is undoubtedly right to seek a reduction in dependency; the more that people can look after themselves, the better. And few will quarrel with the notion of value for money: the PSS must be obliged to be efficient.

But when all that is said and done, the dependents remain. A confused old lady of 85-plus who is shuttled between a residential home and a lonely room visited by home helps and few others (ie "Care in the community") is hardly likely to become independent now. An unemployed youngster, befuddled by drugs, lost from home, is likewise in need of at least temporary assistance. The mentally ill and mentally and physically handicapped usually do require taxpayer-funded help. The government does of course provide it—but it seems ideologically unable to accept the need for a continuing provision, and the desirability of a more generously financed service as economic growth makes that possible. Its theorists are much happier with private and voluntary sources of help. That is reasonable enough, but it still leaves a major role for the publicly funded PSS.

In a civilised society there is surely no escaping an obligation that is often taken for granted, at least in respect of the elderly, in more primitive lands. British capitalism, thanks to Mrs Thatcher, can now well afford to meet that obligation. The Tories might do so with better grace.

Letters to the Editor

Thin veneer of capitalism

From Mr P. Chappell

Sir, — Your leader of September 15 correctly identified the inconsistency in the Government's approach to "popular capitalism." With one voice it proclaims the advantages of Shares for Everyman; and with the other it refuses to give equality of fiscal treatment to the personal shareholder. The results are clear: the number of private shareholders may be increasing, but the proportion of listed equities held by them continues to decline. What is more serious is that over half the number of private shareholders hold one share only, forgetting all the principles of diversifying risk. Mr Squire's letter (September 22) makes the point forcefully — the euthanasia of the private shareholder continues unabated.

The major reason must be the tax privileges given to retirement provision, and Mr Walker (September 21) cannot be allowed to continue the old canard that just because pension fund tax relief is temporary it somehow does not influence decision-making. You do not need to be a mathematician to recognise the difference between rolling-up money on a gross basis, even if the proceeds are ultimately taxable, as compared with private saving on a net basis.

The true cost of pension relief has never been publicly debated. Even allowing for the continuation of existing funds on the present gross basis, ending the relief now would enable the Chancellor to abolish all higher rates of tax, capital gains tax, and still leave room to knock three or four pence off income tax.

Apart from a few redundant tax advisers, who would mourn for pension fund relief if the alternative were the prospect of a single rate of income tax at 20 per cent?

I need hardly add that it would enhance the demand for investment trusts, offering the private shareholder the full diversity of risk and better performance with a single shareholding.

Philip Chappell.
Association of Investment Trust Companies.
16, Finsbury Circus, EC2.

Unemployment and wages

From Mrs G. Turner

Sir,—Government spokesmen have consistently maintained that high wage demands create unemployment. Indeed, in May 1986 and during the run-up to the General Election Lord Young said that unless workers accept zero pay rises there is a risk of more unemployment and rising inflation.

In view of recent reports, however, that pay rises have averaged between 8 and 11 per cent — far in excess of the rate of inflation — can any financial expert explain why, since August 1986, unemployment has continued a downward trend?

Are high wages, therefore, more beneficial to a country's economy, bearing in mind that low wages only benefit the employer and/or exporters, and the actual recipients have little real spending power and frequently need their incomes to be "topped up" with supplementary benefit from the Exchequer?

(Mrs) G. Turner.
56, Hill Village Rd, Four Oaks, Sutton Coldfield, W. Midlands.

Completing the Common Market

From Mr B. Cassidy, MEP

Sir, — Guy de Jonquieres (September 17) is quite right when he says that the opportunities offered by the single European Community market are not being fully exploited by European managers. Certainly, the European multinationals are well aware and they are the ones whose representatives in the Roundtable of European Industrialists are pushing for the maintenance of the target date of 1992 for the completion of the internal market.

My experience, however, is that, apart from the multinationals, most other European companies concentrate on their home market and regard other Community countries as "export" markets as if they were in Africa or North America. As Guy de Jonquieres says, this really is a question of changing managers' perceptions. Ironically, the Japanese and the Americans are accustomed to regarding "Europe" as a single market and that is why European industry is under such pressure from American and Japanese competition. In Britain we still seem to think that our main competitors are France and Germany!

Having said all that, however, there are still major obstacles to the creation of pan-European companies of the size and scope to compete on equal terms with the Americans and the Japanese particularly in their level of research and development investment. Here, undoubtedly, there are still major barriers maintained by some member-states against incoming foreign investment. That is one of the reasons why European multinationals generally find it easier and more worth while to make acquisitions in the US and in the Far East rather than endure all the bureaucratic agro involved in trying to make acquisitions elsewhere in Europe. The German Bundeskartelamt in particular portrays a real siege mentality and does its best to frustrate takeovers of German companies by "foreigners" irrespective of whether they are of Community origin.

Bryan Cassidy.
The Stables,
White Cliff Gdns,
Blandford, Dorset.

A drop of real cider

From Mr S. Chattey.

Sir,—The title—"A drop of real cider"—of the article by James Page-Roberts (September 12) was ill-chosen and some of its content misleading.

Real cider is made from cider apples, not cooking or dessert varieties. The best real cider is obtained by blending the juice of several varieties of cider apples none of which alone, with the possible exception of Kingston Black, has all the qualities required.

Regrettably, the common definition of cider does not preclude the use of cooking and dessert apples but that is no excuse for describing as real cider the thin and acidic drink which the choice of "any old apple" will produce. The two are as dissimilar as good Burgundy and home made wine.

Stanley Chattey,
Bloxworth Lodge,
Wareham, Dorset.

Safety at work

From Mr R. Coult

Sir,—I only read Mr Rimington's letter (September 9) when I returned from holiday but I hope I may be allowed to reply to what is a curiously negative letter given, to quote his words, "the deteriorating state of safety at work."

Twice Mr Rimington talks of the cost to industry of more frequent inspection of the workplaces but not once does he mention the cost to employees, both in pain and loss of earnings, resulting from accidents at work. Leaving aside moral considerations, a reduction in accidents leads to savings in hospital costs and benefit payments, something which Mr Rimington signally fails to take account of.

Mr Rimington also states that the Health and Safety Commission has asked for more inspections by the HSE but he does not say whether this request will be met and, if it is, how it will be resourced. At present, expenditure in the HSE is outstripping income and unless the Government increases its funding substantially, which seems unlikely, there will probably be a further decline in the frequency of inspection.

The suggestion that I made in my original letter that competent persons should make periodic inspections of workplaces as an alternative to those being made by inspectors was an attempt to suggest a solution to the problem of HSE's diminishing resources. This suggestion does not appear acceptable to Mr Rimington but unfortunately he gives no indication of how the HSE proposes to meet the challenge of deteriorating standards. I think the matter demands a more constructive approach than Mr Rimington showed to what is after all a pressing problem.

R. N. Coult.
Vernon House,
Grindleford,
Sheffield.

Pointless tax

From the Chairman, Stock Exchange Moneybrokers Committee

Sir,—Though I hesitate to disagree with Richard Golding (September 17) his comments about the taxation of pension funds on stock lending are in places somewhat misleading.

Other institutions who lend stock, such as banks and insurance companies, have always been taxed on the receipts therefrom and have not found the operation uneconomic as a result. It would seem invidious to suggest that pension funds should be exempt from tax on stock lending if this concession were not to be applied to other institutions as well.

The fear of the pension funds was not that tax made it uneconomic to lend stock but that if they paid tax on one of their operations they might be charged on others as well. This fear has now been removed as we have written assurances from the Chancellor and the Inland Revenue that taxation will be restricted to this activity alone.

There are numbers of pension funds who have recently started to lend stock and many more are considering it. Certainly there are some who face legal problems and a few who cannot be bothered. There are, nonetheless, sufficient lenders to ensure that there are adequate supplies of most stocks at most times and I am sure that the addition of those who will soon be entering the lending market will ensure that the gilt-edged market makers are better able to make a liquid and efficient market. I do not believe that taxation is a major factor in their considerations.

P. G. B. Wills,
Sheppards Moneybrokers,
20 Gresham Street, EC2.

FINANCIAL TIMES

Thursday September 24 1987

Troops of two nations fight language barrier

BY DAVID MARSH AT FRENCH FIELD HEADQUARTERS IN PENZING, BAVARIA

SWELTERING UNDER the Bavarian sun, fighting units from France and West Germany yesterday battled against the barriers of language and defence technology in a bid to forge a new Franco-German *entente militaire.*

The largest-ever manoeuvres between the two countries, mobilising 75,000 troops and hundreds of tanks and helicopters, mark France's new political will to play a greater role *in defending West Germany.*

As tanks swirled around geranium-filled country villages under the gaze of curious schoolchildren, the exercise, named "Bold Sparrow," moved towards a climax yesterday. French and West German contingents working on an integrated command basis staged a mock counterattack to repel eastwards tank forces - codenamed "the Reds" - which, in a simulation of a Soviet advance, "attacked" central Bavaria on Monday.

The main feature of this week's exercise has been the debut in West Germany of 20,000 crack troops from France's 45,000-strong Rapid Deployment Force (FAR), *armed with tanks and helicopters* and backed by Mirages and Jaguars from France's tactical air force. Formed in 1983 to improve French capacity to intervene in overseas touble spots, the force is now being given *an implicit role as a reserve* in France to fight in West Germany in the event of East bloc aggression.

Speaking last night in the FAR's *improvised headquarters* in a gymnasium in the township of Penzing, flanked by an incongruous mixture of stern-faced soldiers and tennis-playing villagers, General Paul Lardry, the FAR commander, said the force had proved its capacity to "advance rapidly and engage in battle" *in west Germany.*

Co-operation with the West Germans had been "very good". Sunny weather had contributed to the efficiency of the FAR's anti-tank helicopters, which he claimed had knocked out 100 West German Leopard tanks. "But in war you need luck," he said with Gallic grandiloquence.

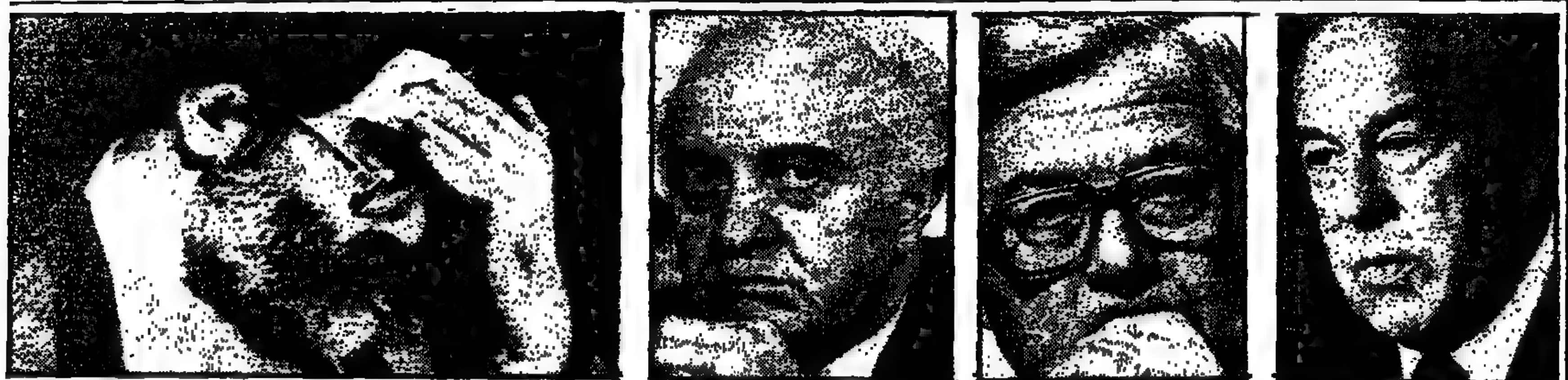
The political importance of *the exercise* will be underscored today when President Francois Mitterrand and Chancellor Helmut Kohl visit the troops here. They plan to stand together cermonially on a pontoon bridge across the Danube - which runs through the exercise area - to symbolise that France and West Germany are *now "shoulder to shoulder"* in defence.

Practical difficulties in trying to integrate French and West German troops into a joint brigade - a plan now being studied by the chiefs of staff of both countries - clearly loom large.

Lieutentant-General Hans-Henning von Sandrart, inspector-general of the West German Army, said language was partly a problem. "Not so many German officers speak French, and not so many French German," he said. English could be spoken if necessary, he added.

General Jacques de Bellecombe, deputy commander of France's 1st Army and co-commander of the exercise, said greater Franco-German military collaboration did not "modify" the concept of French defence based above all on its nuclear deterrent.

He did, however, indicate that military action "in liaison" with the Nato alliance is now in favour in Paris. Even though France left the organisation's military command structure in 1966, "We are part of the Alliance. We have never left it. That is totally wrong," he said firmly.



Stars of the show: Iranian President Seyed Ali Khamenei; Soviet Foreign Minister Eduard Shevardnadze; British Foreign Secretary Sir Geoffrey Howe and George Shultz, US Secretary of State

Iran in spotlight at UN floor show

Andrew Gowers in New York looks at highlights of the General Assembly and how the Security Council has united to implement its Gulf war resolution

FOR SHEER theatrics, this has been an extraordinary week at the United Nations. It has been full of dramatic and paradoxical images that the UN General *Assembly, that motley and often* tedious annual gathering of all the world's governments, can not have seen since Mr Yassir Arafat, the Palestinian leader, took the stage in the mid-1970s waving a symbolic gun in one hand and an olive branch in the other.

The main features included:

- *The black-and-white robed* cleric who is Iran's president processing to the podium on Tuesday, accompanied by chants of "Allahu Akbar" (God is great), from the gallery before delivering a tirade against the superpowers.
- The apparently co-ordinated absence during his address of a *number of senior foreign ministers* from East and West, and a furious walk-out in mid-speech by the US delegation.
- Anger from the normally mild-mannered Sir Geoffrey Howe, Britain's Foreign Secretary, over the Iranian attack on a British merchant ship on Monday. He described the attack as a "barbaric, cowardly, reckless outrage", thus outdoing even the Americans in his *imprecations* against Iran.
- A mounting display of mutual respect between the superpowers following last week's accord in principle for the global elimination of intermediate-range nuclear missiles, and an evident continuing desire to co-operate within the UN Security Council on the dominant issue of seeking an end to the bloody Iran-Iraq war, exactly seven years old this week.

But perhaps the most striking image of all was Iran's continued defiance amid near-complete international isolation. Speaker after speaker this week has called *on* Tehran to halt what many have termed this senseless conflict, as did the Security Council in a mandatory resolution two months ago.

Yet Iranian President Seyed Ali Khamenei, the first senior Iranian figure to visit the UN, *reiterated Iran's basic* precondition - that Iraqi President Saddam Hussein should be *"punished" for starting the war.* He also treated his audience to a lengthy peroration on the shortcomings of the Security Council and the generally misunderstood nature of Iran's Islamic revolution.

Come what may, *he said* in effect, the Islamic revolution has already suffered plenty of *slings and arrows and anything* the international community pleases to do now - such as imposing an international mandatory arms embargo - can scarcely be much worse.

As such, although he did not formally reject the Security Council's earlier ceasefire resolution, his remarks constitute *an unmistakable challenge* to the authority of the entire UN system. It is this that the Council's five permanent members - united on this issue as never before - are considering in bilateral meetings this week, culminating in a lunch between foreign ministers of the five and Mr Javier Perez de Cuellar, the UN Secretary-General, on Friday.

It is somewhat curious that *the atmosphere should* have turned sour so suddenly. Only last week, some very tentative hopes had begun to be expressed that Iran was inching itself into a dialogue with the UN over acceptance of a ceasefire.

Although there were plenty of people who contended that the Iranians were simply stringing *the world along, they* had showed signs of flexibility during Mr Perez de Cuellar's peace mission to Tehran and Baghdad last week - to a point where the difference between the Iranian position and that of the Security Council almost seemed just a matter of timing. That was certainly the appreciation of coun*tries which have tended to take* a softer line towards Iran, such as West Germany, Italy and Japan.

The Iranians told Mr Perez de Cuellar that they would accept an "undeclared de facto ceasefire" while a committee of experts was set up to apportion blame for starting the conflict, *only turning that into a formal* end to hostilities when that inquiry - which the Iranians have always presumed would come out against Iraq - had finished its work.

Not good enough, said hardliners on the Security Council like the US and Britain. The Council resolution *calls* for an *immediate* ceasefire, withdrawal to pre-war boundaries and negotiations, with the appointment of an independent inquiry only after the formal ceasefire. The Iranian terms, said the hawks, amounted to a demand for renegotiation of what had been agreed to be a non-negotiable resolution.

President Khamenei's speech has undoubtedly served to strengthen the hand of those who had argued all along that Iran had no real intention of compromising on its ultimate demand for the removal of Saddam Hussein, now unacceptable to most, if not all, members *of the Security Council.* The climate has certainly been further poisoned by the US attack on an *Iranian vessel laying mines* in the Gulf, and by the Iranian attack on the British flag merchant ship.

"It is difficult to imagine a combination of speech and action more calculated to achieve an arms embargo," blustered Sir Geoffrey on Tuesday afternoon.

Attention is now inevitably turning to a UN-mandated ban on weapons sales to Tehran. The earlier ceasefire resolution provided for unspecified sanctions in the event of non-compliance by either belligerent. Foreign ministers representing the Security Council's permanent members are now considering *how to put that into practice.*

And here another of the more intriguing images of this week's events in New York recurs. For all five permanent members - the US, Britain, France, the Soviet Union and China - seem determined to try and move together on this issue.

Mr George Shultz, the US Sec*retary of State, emphasised the* importance he attaches to preserving the unanimity with which the Security Council passed its ceasefire resolution. That in itself amounts to a considerable change of heart: In effect, the Reagan Administration, which has so often poured scorn on the UN and preferred *to go it alone,* is rediscovering the merits of multilateral action.

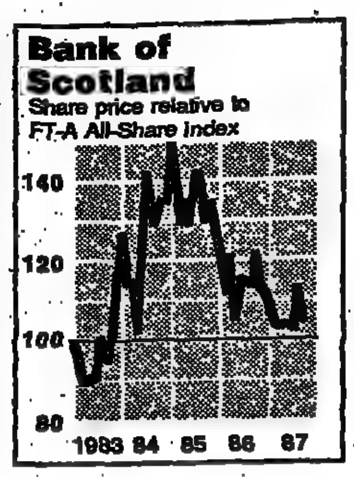
In turn, the Soviet Union, represented at the meeting by Foreign Mininster Eduard Shevardnadze, *is indicating that it will* not resist attempts to impose an arms ban, and even China - which is branded by the US as a major arms supplier to Iran - is reported to be showing *signs of* going along with the idea.

Whether an arms embargo would work is another matter. Even active supporters of the idea *concede that it will never* be leak-proof, and that Iran will still get weapons. But they say it will have to pay more for them, and that it will find its ability to mount major offensives severely restricted.

THE LEX COLUMN

Oil slicks on Wall Street

The art of an auction is to offer the lowest price which gets the stock. Or perhaps not. Retail demand for yesterday's long gilt auction was so thin that market makers were probably just as eager to put in the highest price which did not succeed - showing willing to the Bank of England without costing money. But many were fooled by the when-issued price of the stock hold*ing up at 95 (in fully-paid form)* until shortly before the auction, so persuading them they were safe bidding at 94.60 or so. They then got stock and helped to drive the price down further by covering in the futures market. The score so far in gilt auctions: Bank of England 2, gilt dealers nil.



Wall Street

The one thing clear about this week's resurgence on Wall Street is that it is shakily based. At its weekend close of 2520, the Dow was a *handy* 10 per cent and 200 points below its late-August peak, and US fund managers had the further incentive of the third quarter close to do a bit of window-dressing. Tuesday's 75 point rise also owed much to a Gulf-inspired rise in oil stocks, unsupported by any rise in the price of crude.

*At an only slightly more fun*damental level, the bond market has in the past week marched closely with the dollar, and equities with bonds. Tension in the Gulf has thereby tended to push equities higher, since the short-term effect has been to push up currency and bonds together. On a longer view, the tendency could well be the reverse through the effect on the US oil deficit; the rise in the overall trade deficit in July owed much not only to a higher oil price but to the stockpiling of higher volume.

Although the dollar is presently also being supported ahead of the weekend G7 meet*ing, it could well need a sub*stantially lower September trade deficit to hold up thereafter. Considering the last five months of the year would need to average a deficit of only $11.7bn to produce an annual total below last year's, the markets may well be disappointed.

Guinness Peat

The winkling out of defectors at Guinness Peat continues. As a main GP board director, Mr Joel Leff had not previously felt able to join his colleagues at *GP's Forstmann-Leff subsidiary* in selling out to Equiticorp for 115p per share. His decision now to do so puts Guinness Peat's executive board in an increasingly isolated position, besides raising Equiticorp's stake to nearly 42 per cent. If Mr Leff was prompted by the desire to avoid working *for* Mr Robert Maxwell, the price he is paying for that protection is a quarter of a million pounds - the difference between yesterday's 119p closing price and the Equiticorp offer on his 6m share stake.

Bank of Scotland

The performance of the Bank of Scotland must be an irritating reminder to the major clearers that they cannot pass off their tribulations as endemic to the UK banking system. It is, admittedly, considerably smaller than any *of the big four* - which ought to allow continuing advances in market share without them noticing - but has nimbly exploited its opportunities in the trek south. Those two rights issues within one year (1984-85), which so aggravated the market at the time, now look doubly farsighted in view of the Bank's *speed of growth and the sover*eign debt crisis.

The interim stage achievement of pushing up pre-tax prof*its despite doubling,* sovereign debt provision was helped by the pension fund holiday and unrepeatable advantages such as the wider margin on mortgages. But it still serves to draw *attention to that virtuous com*bination of strong ratios and negligible sovereign debt exposure in relation to assets. For the free capital ratio to remain static while the p and l account took the strain of the provision and total assets increased by 11.6 per cent thoroughly deserved yesterday's 6 per cent *boost to the share price.*

But does the Bank deserve to be on an even higher prospective rating premium to the other clearers, or, put another way, a lower discount to the TSB?. The answer is probably yes, al*though the management* would win even more friends if it began issuing a half year balance sheet and started spelling out how much it was earning from its various innovations. More damaging to its reputation has been the recent *interest shown* in First City Bancorp of Texas. It is difficult to see why it was *prepared to sacrifice its quality* balance sheet and loan portfolio while still growing at 20 per cent a year in the UK. But after Texas the market may be discounting another issue to pay for something of higher quality.

Barratt

The single-minded determination with which Barratt Developments has dragged itself back to health is admirable. With pre-tax profits in the year to June at £39.2m, up by over half, a return to peak profits of £50m *is within sight in the cur*rent year. And pre-tax margins up from under 6 per cent to over 9 per cent are getting close to the 10 per cent target, even if the increase was largely due to the exclusion of the turnover of a joint venture.

Yet the further fall in UK house sales, from 8,100 to 7,150 during the year, *is disappointing;* and though Barratt hopes to sell more this year, it will take longer than that to get back to 10,000. Turnover growth has come from higher selling prices, aided by Barratt's shift up-market. This is not the stuff on which to base renewed growth once the recovery phase *is complete, especially if* that coincides with a weakening of the market. Barratt is still pay*ing for* its earlier over-optimism in missed opportunities - for instance in having to rebuild the land bank now - and the constraints imposed by its tight hold on the balance sheet.

Whether Barratt's bias towards the north of England and Scotland will prove a boon in less frenetic times is debatable, *and the chance that any growth* that is found will need to be equity financed is putting off investors. A prospective multiple of 11½ is hardly demanding, but most shareholders are more interested in the 5½ per cent yield.

Companies 'unprepared' for computer failure

BY MICHAEL SKAPINKER IN LONDON

MANY European companies have no effective protection against a breakdown in their computer systems, although they are aware of the substantial disruption and financial loss such an eventuality could cause, according to a survey conducted in Britain, France, the Netherlands, Germany and Italy.

The survey, carried out by accountants Arthur Young and co-funded by the European Commission, found that 20 per cent of the 490 companies questioned said they would not be able to function effectively for more than a few hours without their computer systems. Half the companies said they would not be able to continue for more than a few days.

Despite these fears, 42 per cent of the companies did not have a written contingency plan to deal with computer failure.

The companies also conceded that they could suffer considerable financial loss from employee error or fraud on their computer systems. Fifty-four per cent of the companies said that their potential financial loss from employee fraud could be over £50,000 ($81,500) and 24 per cent said the damage could be more than £500,000.

When asked, however, whether they investigate the past history of data processing staff and computer users, 57 per cent of the companies said "not at all". Fewer than half the companies said they conducted a full review of new computer applications to ensure that there were adequate safeguards against error and fraud.

Management Awareness of Computer Risks - a European Survey, available from Mark Evens, Arthur Young, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH. £40.

Ford admits 'serious interest' in troubled FCA savings group

BY ANATOLE KALETSKY IN NEW YORK

FORD MOTOR, the second largest US *motor group,* yesterday publicly confirmed that it was "seriously interested" in buying *Financial Corporation of Amer*ica, the scandal-ridden West Coast savings and loans company. The acquisition would transform Ford into much the biggest mortgage lender and savings institution in the US.

Ford's statement, which gave no details of the timing or the price of a prospective bid for FCA, comes after months of mounting speculation which began in May when the Federal Home Loan Bank Board, the *government agency* which controls the US savings and loan industry, asked Salomon Brothers to find a buyer for its costly charge.

Many of the rumours have centred on Ford, which has built up the sixth biggest thrift network in the US since acquiring First Nationwide Bank in 1985, and which has more than $9bn of surplus cash at its disposal.

FCA is the holding company for American Savings & Loan *Association,* the biggest US thrift institution, with assets of about $38bn. It grew at an explosive rate in the early 1980s under the controversial chairmanship of Mr Charles Knapp and was brought under federal control in *August 1984 after a run* on its deposits which required nearly $7bn of temporary money market assistance.

Since the rescue, the government-appointed management *has turned up huge deficiencies* in FCA's capital and loan loss reserves, as well as numerous accounting irregularities. Despite additions to reserves of $1.3bn and aggressive sales of non-performing assets, *FCA's* balance sheet still contains at least $1.38bn of questionable loans, *in comparison with net* worth of only $140m.

A Ford takeover would probably involve the car company injecting at least $1bn of new capital into FCA, in exchange for an agreement from the Federal *Savings and Loan Insurance* Corporation, which provides insurance arrangements for the savings and loan industry, to absorb the bulk of FCA's loan losses.

Arrangements would also have to be made to repay $2bn of outstanding loans to the Federal Home Loan Bank of San *Francisco, but Ford* would benefit from an estimated $1bn worth of unused tax losses within FCA.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	C	27	81	Dubrovnik	S	27	81	Malta	S	29	84	Rhodes	S	28	82
Algiers	S	32	90	Edinburgh	R	16	61	Manchester	F	16	61	Rio de J'o	-	-	-
Amsterdam	S	18	64	Faro	S	24	75	Manila	-	-	-	Rome	S	27	81
Athens	F	28	82	Florence	S	29	84	Melbourne	F	17	63	Salzburg	S	27	81
Bahrain	S	39	102	Frankfurt	R	19	66	Mexico City	-	-	-	San Francisco	C	14	57
Bangkok	S	33	91	Funchal	S	26	79	Miami	S	27	81	Seoul	S	25	77
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Britain to close 3 Iranian arms procurement offices

Continued from Page 1

Minister, made no mention of the issue in an address to the General Assembly yesterday, *calling instead for continued* endeavours to implement the Security Council's ceasefire call.

Iran was yesterday insistent that it had not closed the door on a negotiated settlement despite its president's fiery speech on Tuesday. Mr Khamenei told reporters that Iran's of*fer to observe an undeclared* ceasefire while an independent inquiry took place into the ori*gins* of the war remained open, and that Iran would accept the verdict of such a tribunal. However, he also reiterated a threat to retaliate for Monday's US attack on an Iranian vessel allegedly laying mines in the Gulf, warning that involvement could turn into "another Vietnam" for Washington.

Nicaragua ends ban on radio

Continued from Page 1

Nor was there any mention of how the ceasefire was to be independently verified.

The Contras, for their part, dismissed the government's moves as 'trickery' and called for increased attacks on the enemy. The rebels' Radio Liberacion said the measures were aimed at hoodwinking international opinion and branded Ortega as 'a little Communist dictator.'

Yesterday the House of Representatives approved a $3.5m package of non-military aid to the Contras

SENIOR CONSULTANT to £40,000 + benefits London	The consultancy arm of a major professional practice seeks an experienced management consultant aged 30-40 to manage a variety of projects. Sharp-end experience within marketing, production, engineering, planning or finance would be advantageous. Partnership prospects are excellent within the medium term. Ref: DES 450
FINANCIAL CONTROLLER c£30,000 + car + benefits Sweden/Denmark	Autonomous subsidiary of advanced technology plc seeks to strengthen its general management team by the appointment of a qualified accountant aged 26-35. A facility in either Swedish or Danish is imperative together with proven staff management and systems skills. The vacancy carries a very generous benefits package. Ref: MJH 307
TREASURY MANAGEMENT c£27,000 + car Herts	A qualified accountant aged 30-40 who can demonstrate experience in treasury/cash flow management and control is urgently sought for this newly created role with a very profitable high technology manufacturer. An appreciation of commodities, foreign exchange and the workings of an industrial group would be advantageous. Ref: MJH 292
CORPORATE FINANCE £27,000 + car London	Blue-chip financial services group seeks a qualified graduate accountant for their international finance and planning division. As manager you will supervise the development of information systems for the overseas operations and head special projects involving acquisitions and capital appraisals. Career opportunities for ambitious candidates are excellent. Ref: AN 433
RECENTLY QUALIFIED to £25,000 + car Berks	Dramatic growth by this international manufacturing and marketing organisation has created the need for a high-calibre Chartered or Certified Accountant. The position covers a broad spectrum of accounting activities including systems development, consolidations and analysis. Outstanding prospects and benefits including relocation assistance where appropriate. Ref: AC 298
OPERATIONAL REVIEW c£24,000 London based	Several of our most influential clients currently require accountants with industrial or commercial backgrounds for high-profile project/audit roles. Exceptional communication skills plus a willingness to travel extensively are of prime importance. All roles offer exceptional career possibilities to ambitious accountants. Ref: RK 280

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INTERNATIONAL APPOINTMENTS

Phillips & Drew turns to Japan for economist

BY IAN RODGER IN TOKYO

PHILLIPS & DREW, the London-based stockbroking subsidiary of Union Bank of Switzerland, became famous in Tokyo last year for poaching virtually the entire equity research department here of W. I. Carr, another London-based broking house. Now it is poaching from the Japanese as well.

Earlier this month, Mr Akio Kono, chief economist of Daiwa Securities Research Institute the offshoot of the Japanese securities house, joined the firm's Tokyo office as its chief economist. Mr Kono is well known among European and US fund managers as one of the few Japanese economists who is unafraid to disagree radically with the consensus.

On the Japanese economy, he is typically outspoken: "It is a big surprise," he says, "that the recovery is much stronger than we had previously thought. Real gross national product growth in the second half will be 5 or 6 per cent, and the recovery will continue well into 1988."

Mr Kono said his move to UBS P&D, where he will be chief economist, was related to another planned moved to a university post in Tokyo later this year. That would enable him to work only part time with a securities firm.

Like some other Japanese who move to foreign firms, Mr Kono also liked the idea of a somewhat more spacious environment than is typical in Japanese firms. With uncharacteristic caution, he allowed as how his new desk was "maybe slightly bigger" than his old one.

Barings boosts US bids side

By Gordon Cramb in New York

BARINGS, the British merchant bank with extensive operations in the Far East, is seeking to boost its involvement in US mergers and acquisitions business with the appointment of Mr Mohamed Younes as chairman of Baring Brothers Inc, its New York corporate finance offshoot.

Mr Younes, aged 49, takes up the new post next month, after having departed in February from Kidder Peabody, the Wall Street investment house controlled by General Electric, the widely diversified, Connecticut high technology electrical concern, which has initiated widespread changes there in the past year.

He was chairman of Kidder Peabody International, responsible for non-US business, and joined the group management committee a year ago as the firm acted to resolve a spate of insider trading inquiries.

At Baring Brothers Inc—which remains separate from the group's US asset management and securities sales arms—Mr Younes will initially head a team of six professionals, although this number is due to expand.

* * *

L. F. ROTHSCHILD HOLDINGS, the New York investment house, has appointed Mr Richard C. Jackson an administrative managing director and chief executive of L. F. Rothschild International, based in London. He will be responsible for all European operations and will operate from the firm's London office.

Mr Jackson spent 23 years with Citibank in various positions in Europe and the Far East, most lately in London

* * *

DILLON READ AND CO, the Wall Street investment house, has appointed Mr Neil R. Austrian a managing director.

Mr Austrian had been chairman and chief executive officer of Viacom VIA Showtime/The Movie Channel

Change of president at Bank of Montreal

By Robert Gibbens in Montreal

MR MATTHEW BARRETT, 43, and Irish-born has been appointed president of the Bank of Montreal, Canada's second largest chartered bank, in succession to Mr Grant Reuber, 60, who has stepped up to deputy chairman.

The Bank of Montreal, which owns Harris Trust in the US and recently bought 75 per cent of Nesbitt Thomson, one of the leading Canadian securities houses for C$292m (US$222m), is also making other senior management changes. Mr William Mulholland, 61, remains Chairman and Chief Executive.

Mr Barrett joined the bank in 1962, at 18 in London, and became an executive vice president in 1985. He has a reputation as a strong administrator, and has been in charge of personal banking. In all, the bank has 11 executive vice Presidents.

Mr Reuber succeeds Mr William Bradford as deputy chairman. A former deputy Minister of Finance in Ottawa and university professor, Mr Reuber became president in 1983. Mr Bradford is leaving early next year to become president of North American Life Assurance Company in Toronto.

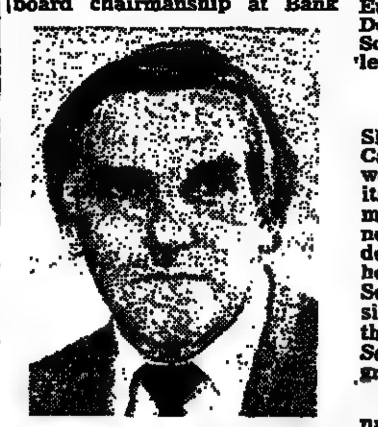
Several of the Canadian chartered banks have brought in new blood at senior management level.

Bank Leu nominates its new chairman

BY JOHN WICKS IN ZURICH

BANK LEU, of Zurich, has nominated Professor Kurt Schiltknecht, currently head of the management committee of the Finnish-controlled Nordfinanz-Bank, also of Zurich, to succeed Mr Arthur Fuerer as chairman.

Mr Fuerer, chief executive of Nestlé before taking over the board chairmanship at Bank Leu, recently announced his intention to resign next March, for personal reasons.



Professor Kurt Schiltknecht: set to take over chairmanship of Bank Leu

Professor Schiltknecht joined Nordfinanz-Bank in 1984. He had formerly been chief economist at the Swiss National Bank, leaving there after having been passed over for election to the governing board. It was believed at the time that this was because of his membership of the Social Democratic Party.

He had previously had an academic background, carrying out macro-economic research at the Federal Polytechnic in Zurich, the Organisation for European Co-operation and Development, and the Wharton School in Philadelphia. He still lectures at Basle University.

* * *

SEAGRAM COMPANY, the Canadian concern which is the world's largest distiller of spirits, has announced the appointment of Mr Edward F. McDonnell, 52, as executive vice president, international. He also holds the title of president of Seagram International, the division t hat was organised in 1981, the year Mr McDonnell joined Seagram, to look after the group's operations abroad.

Since 1981, Seagram International's sales have grown from US$870m to $1.4bn, and at the end of the last fiscal year represented 46 per cent of total Seagram sales.

Seagram International has affiliated companies in 25 countries.

Before joining Seagram, Mr McDonnell served as executive vice president of the Pillsbury Company and President of its international group.

Accountancy Appointments

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The successful candidate is likely to be a Chartered Accountant who has achieved a record of success within a large firm background. This will have been complemented with at least 3 years experience gained outside the profession. Aged around 30-35, ideally you will have worked in a group headquarters role with direct experience of US GAAP and SEC reporting. Personal abilities should include drive, initiative, good man-management skills and a well developed commercial sense.

This is an outstanding opportunity to move into a fast-moving, hi-tech environment giving prospects for promotion within two years.

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For further information, contact Chris Nelson on 01-831 2000 or write to him at the Taxation Division,
Michael Page Partnership,
39-41 Parker Street, London WC2B 5LH.

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Candidates, probably in their early forties, graduates and fully-qualified CA or CMA's, must have a successful track-record of top-level finance management, preferably in a divisionalised manufacturing or contract engineering environment. Experience of sophisticated management information systems, acquisitions and divestments and overseas operations would be useful. Well-developed interpersonal skills are essential.

The initial remuneration is expected to be around £32,500 plus car and other large group benefits. Relocation assistance will be available if required.

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The appointee will be a senior member of Memorex's Financial Planning and Analysis team. Working closely with senior Group executives and overseas business managers, the individual will be responsible for analysing and interpreting the results of the businesses in the Group. In addition, he/she will carry out high level ad hoc projects, for example, the evaluation of a product's performance, the review of new business alternatives, acquisitions, or one-off investigative exercises to support major business decisions.

The successful candidate is likely to be in their late 20s/early 30s with two years relevant experience, including excellent financial analysis skills, acquired either through an accountancy/finance background, or possibly an MBA. You will also need a sound commercial and business grounding, ideally gained in the hi-tech sector, with the ability, maturity and confidence to work at the most senior levels in the organisation. For a self starter, with energy and commitment, this is an outstanding opportunity to join a major multi-national at an early stage in its development, where you can have a real impact on the shape of the future.

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A qualified accountant aged around 35 and probably looking for your first main board position, you will be able to demonstrate a high level of technical expertise and commercial awareness. You should have extensive experience of operating at a senior management level and will have been using your financial skills to assist in effective business decision making. Excellent communication skills are vital as is the ability to identify business opportunities and make things happen.

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The successful applicant will be responsible for:

- *The overall production and internal audit of company accounts.*
- *The establishment and administration of appropriate systems enabling the company to meet its reporting requirements under the Financial Services Act.*
- *The continuing computerisation of the company's accounting system.*
- *Budgeting and control techniques within operational areas.*

Candidates, preferably in their early 30's, should be fully qualified accountants, offering several years' experience in the securities industry.

They will need to demonstrate a sound knowledge of computerised accounting systems and hardware. Multi-market and multi-currency experience is also desirable.

Please reply in the first instance, enclosing a full CV, to:

BOX NUMBER A0674
Financial Times,
Bracken House, 10 Cannon Street,
London EC4P 6BY

CHIEF ACCOUNTANT

PROJECT MANAGEMENT

Berkshire circa £25,000 plus car etc.

Our client is a major international firm involved in major capital projects.

A chief accountant is required to manage the day-to-day activities of an accounts department. Regular reports of major individual projects will need to be prepared as well as regular monthly management and financial accounts. It is particularly important to be able to draw the attention of senior management to the financial implications of action to be taken. There will also be a need to become involved in the design of improved systems.

Applicants, probably under the age of 35, will be qualified accountants with sound technical skills and some management experience. Knowledge of cost control in a project management environment will be most useful. There will be opportunities for advancement after a few years.

Please write to Michael Ping, in confidence, enclosing a detailed curriculum vitae and quoting reference F/048/P.

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Successful City-based accountants require a young entrepreneureal ACA, who has the dynamism and initiative to create profitable business ventures utilising clients substantial funds.

Please contact:
David Paton 01-734 4836
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Management Consultancy

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LONDON/ HOME COUNTIES — **c£25,000 + Car + Benefits**

Moores & Rowland Management Advisory Services is one of the UK's leading Consultancies with offices located in *London and Hertford.*

Due to continuing success and expansion, the Business Advisory Division now need to appoint an additional consultant. The main responsibilities will be in the areas of raising finance, investigations and the preparation of business plans.

Candidates for this appointment will be qualified Accountants aged around 30, who have previous experience in Corporate Finance/Development, gained in a medium or large professional firm.

Please send a full CV with handwritten covering letter to Mr. R. N. Collier quoting ref: B001.

MOORES & ROWLAND

50 St. Andrew Street,
Hertford, Herts. SG14 1JA

MOORES & ROWLAND MANAGEMENT ADVISORY SERVICES LIMITED

ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY

FINANCIAL CONTROLLER

Beds. circa £25,000 + car

Part of a multi-national engineering organisation, our client is engaged in the design and manufacture of capital equipment for both the home and overseas markets. Following a period of major investment and restructuring, this £40m turnover company is in the process of launching its new product range to support profitable growth.

The Financial Controller will be responsible for all aspects of financial reporting and analysis, forward planning, cash management and cost analysis. The focus of the role will be on establishing and maintaining the high level of information and control expected of the company. In particular, there is a need to enhance computer-based systems and procedures and ensure management attention of the key business issues.

Applicants must be qualified ACMA's with at least five years in a line management position in manufacturing industry. Exposure to standard cost, MRP and contract cost control procedures is desirable. Good inter-personal skills should be backed by the maturity and commercial awareness necessary to make an early contribution at this important stage of the development of the company.

Relocation assistance will be given, where appropriate.

Our client will have sight of all applications and candidates should, therefore, indicate any companies which they do not wish to consider. Please reply, in confidence, with full career details and quoting reference N4057 to Cathy Rowan.

KPMG Peat Marwick McLintock

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9 Creed Lane, London EC4V 5BR

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SENIOR TAX ACCOUNTANT - US AND SYSTEMS C.£24,000

Enterprise. Innovation. Efficiency. Three key factors why Occidental is now a major international oil company with a worldwide turnover of over $15 billion. In the UK we are the operators for three major oil producing fields, and are currently planning further developments. We are confident that we shall play a major role in the future of the UK oil industry.

To meet the challenge of the future, we wish to appoint a Senior Tax Accountant to fill a key role in Taxation Planning and Analysis. Able to thrive – and work to tight deadlines – in a stimulating business environment, you will be responsible for the preparation of US, UK, and Dutch corporate tax returns. You will also participate in the planning and forecasting in these three areas so as to optimise our international tax position.

We will rely on you to maintain and develop our computerised tax accounting and reporting systems, based on the latest developments in computer technology.

Aged 30-50, you will ideally hold US/UK tax qualifications and have at least 5 years' experience in UK/US taxation matters. Without formal qualifications, you will need at least 8 years' experience in this field. In either case, you need practical experience in the completion of US corporate returns, technical knowledge of US/UK tax returns, and involvement in international taxation. You will also be familiar with PC's and preferably have some knowledge of mainframe computers. Any exposure to the American or European oil industries would be extremely useful.

This responsible position carries a total salary of c.£24,000 plus free medical insurance, free life assurance and a contributory pension. As a self-motivated professional and an effective communicator, you will be encouraged to develop your potential to the full. Because at Occidental, we know that our success is not simply the result of enterprise, innovation and efficiency.

It is the result of the creative professionals who work for us.

OXY

Please apply in writing, enclosing a full cv to, Clyde Sorrell, Employee Relations Department, Occidental International Oil Inc, 16 Palace Street, London SW1E 5BQ.

FINANCE MANAGER FOR MANUFACTURING GROUP

To sit at the Finance Director's right hand

Up to £25,000 + car **Kent**

The group employs 2,500 people and turns over about £250 million; profits are growing dramatically and the future looks assured. There are three manufacturing sites and two subsidiary service companies, spread across the country, and plans for the future are likely to involve the Finance Director in broad-ranging work which will distract him from day-to-day F.D. responsibilities. We have therefore been asked to find an industrially experienced and commercially able Chartered Accountant to act as his formal number two and to stand in in his absence. Major responsibilities will be the cash management and treasury function and the monitoring and consolidation of subsidiary company performance and accounts. Our ideal candidate, late twenties/early thirties, will have good industrial experience and the intellect, interest and commercial flair to become involved in acquisition studies. Some awareness of taxation and company secretarial matters would be an added bonus. It's an unusually wide role with obvious career development potential. Please send career details to Robin Davies, quoting reference LI 7173A.

LINK 13/14 Hanover Street, London W1R 9HG. Telephone 01-493 5788.

Link International Search & Selection Ltd.

MBS plc
Treasurer

Thames Valley **c£40,000 + Car**

MBS is the largest independent supplier of computer systems in the United Kingdom. A recent major acquisition has significantly strengthened the company's position in this market sector and it is now poised for rapid growth.

As part of a planned programme of development and expansion they are seeking an experienced professional to establish a treasury function.

Areas of experience considered essential are exposure at a senior level to City based financial institutions, the establishment of new bank relationships, the implementation of treasury management and reporting systems, cash management and foreign exchange.

Great importance is attached to a professional approach and the position would appeal to Asistant Group Treasurers in major plc's who, seeking rapid career development would be attracted to an opportunity to head a department.

Candidates will be graduates in their mid thirties with either an accounting qualification and/or an MBA and should possess the strong personal qualities necessary for success in this role.

Interested candidates should write, enclosing a comprehensive curriculum vitae, to John Cockerill F.C.A., The Executive Division, Michael Page Partnership, 39-41 Parker Street, London WC2B 5LH, quoting ref:451

MP

Michael Page Partnership
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

Group Financial Controller

North East

c. £25,000 + Car + Bonus

Our client is a well-established leader in the field of research, development and consultancy services to civil authorities and their consulting engineers throughout the U.K. and overseas.

Our client's plans envisage the finance director undertaking a broader role and consequently the company has created the post of group financial controller. Reporting to the London based finance director and supported by a professional finance team, you will be responsible for the finance division. Your initial personal responsibilities will be the development and improvement of management information systems and treasury matters, both of which will require close liaison with other senior members of the management team and the executive directors. The job offers considerable potential for career development and a significant contribution to the profitable development of the business is expected.

The successful applicant for this position will be a chartered accountant, aged 30 to 40, possessing strong commercial, technical, management and communication skills and who must be willing to travel. The position will demand a hands-on approach and experience in contracting, together with the management and development of computer systems will be an advantage.

Please forward full C.V. including a day-time telephone number to:
Nigel Towers,
Arthur Young Management Consultants,
Norham House, 12 New Bridge Street West,
Newcastle upon Tyne NE1 8AD.

Arthur Young Management Consultants
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FINANCE DIRECTOR

to £25,000 + bonus + car **Surbiton-Surrey**

The Triplex Lloyd Group is expanding. Rapid increases in sales and profitability have been achieved through a dynamic management approach to traditional businesses and through acquisitions. Current group turnover exceeds £110m.

A high calibre Accountant is now sought to join a £10m company with significant growth potential. Hillaldam Coburn is a highly reputable manufacturer and leading supplier of specialist door systems to the construction and building industries, world-wide.

The successful candidate will make a major contribution to the future shape and direction of the business, at Board level.

A qualified Accountant, Chartered or ACMA, you will already have gained several years' experience as a head of function in a manufacturing company with a turnover of reasonable scale.

Cost and Management accounting experience should ideally be coupled with the knowledge of 'up to the minute' integrated computer based management systems.

Prospects for personal advancement within this progressive group of companies are first class. The salary will be negotiable to £25,000, a company car will be provided and there are excellent fringe benefits, including relocation assistance where appropriate. A generous achievement scheme will appeal to candidates intent on contributing heavily to business performance through profit and cash flow objectives.

Please write with full career details to: Peter Sturrock, Group Personnel Executive, Triplex Lloyd plc, Upper Church Lane, Tipton, West Midlands DY4 9PA.

TRIPLEX LLOYD

Divisional Director of Finance and Management Services

Negotiable senior executive package: South Coast

Our client is the UK operation of a major international financial services group. Rapid growth over recent years through effective marketing has resulted in the need for an exceptional individual to fill a newly created position.

The Divisional Director of Finance and Management Services will have overall responsibility for finance and DP and in particular will develop these functions to meet the increasing demands of the business. The successful candidate will be in a position to make a considerable impact on the performance of the Company.

A graduate, qualified accountant, possibly an MBA, you are likely to be aged 35-45 with several years' senior management exposure to financial services or another high transaction level environment. Experience of managing large computerised systems development will be essential. Personal qualities will include a high level of initiative, energy and a practical approach.

The remuneration package will not prove to be an obstacle to the right person.

If you consider that you meet these requirements, please write – in confidence – with full career details including current salary to Nigel Bates FCA, ref. B34016.

MSL International (UK) Ltd, 52 Grosvenor Gardens, London SW1W 0AW.

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FINANCIAL DIRECTOR DESIGNATE

PUBLISHING

Home Counties to c.£26,000 plus car etc.

Our client is a well established medium sized publishing company, who is seeking to recruit a financial director designate. The appointee will have total responsibility for a sizeable accounting function and must be able to work effectively as a member of the senior management team and become involved in the commercial aspects of running the business.

Applicants should be qualified accountants with good staff management skills and experience of working in a changing computerised environment. Essential requirements are a commercial business awareness and the ability to support and influence other members of management. It is expected that the successful candidate must have the drive and personality to progress to the role of finance director within twelve months of appointment.

Please send brief personal and career details to Douglas Mizon quoting reference F/038/A.

E&W Ernst & Whinney
Executive Recruitment Services
Becket House, 1 Lambeth Palace Road, London SE1 7EU.

CONTROLLER

Entertainment Industry **London - West End**

Due to the continued growth of our UK and European businesses we need a qualified Financial Controller to further refine our accounting and control procedures.

The successful candidate will head our financial resource in the UK and have a significant input to future strategies and tactics.

Our company is a major multi-national force in the film, video and television distribution industry, with an impressive track record both at home and overseas.

Based in the west end of London the work environment is young, creative and highly entrepreneurial. The renumeration package includes a highly competitive salary plus BUPA, pension and a company car.

Candidates should write, in confidence enclosing a detailed CV to:

Box No. A0673, The Financial Times, 10 Cannon Street, London EC4P 4BY

Finance Director (Designate)

South West London **To £30,000 + Car**

Our client is a young, dynamic Sales Promotion and Marketing Group with a turnover in excess of £6 million. The Group is entering an exciting new phase which will ensure substantial scope for future business development.

An opportunity now exists for an ambitous Chartered Accountant to join the existing management team as Financial Director (Designate).

You will be responsible for a small team managing all aspects of corporate accounting, finance, data processing and administration. In addition, you will be actively involved in setting of business plans, the development of business strategy and the appraisal of growth opportunities.

Candidates, aged 28-32, should be Chartered Accountants with at least two years PQE, currently at manager level within a professional firm or in a successful commercial environment. Personal attributes should include strong communication skills, flexibility and commitment.

Interested applicants should write, enclosing a comprehensive Curriculum Vitae, to Barry A. Ollier ACA, Executive Division, Michael Page Partnership, 39-41 Parker Street, London WC2B 5LH. quoting ref: 453.

Michael Page Partnership
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

European Financial Controller

Paris **cFF 350,000**

Our client, the European distribution subsidiary of a US group that is one of the leaders in its field, has a turnover of some $22 million and sells a variety of high-technolgy products in France, West Germany, Great Britain, Denmark, Holland and Italy.

They are now looking for a European controller who, in addition to the day to day tasks such as financial consolidation and budgetary control, will act as financial support to the general manager and local controllers.

The position is therefore one of business consultant as well as pure accountant.

Ideally, the candidates should be qualified ACAs in their early 30s with experience of working in an international group, preferably at corporate level. A strong commercial sense is essential, together with a total command of English and at least a working knowledge of French and business methods in France.

Interested candidates should phone Ivor N. Alex ACA in Paris on 33.1.40.70.00.36 or alternatively write to him at Michael Page Finance, 19 avenue George V, 75008 PARIS, enclosing a comprehensive curriculum vitae and quoting reference INA/1331.

Michael Page International
Recruitment Consultants
London Amsterdam Brussels New York Paris Sydney
A member of Addison Consultancy Group PLC

Group Finance Director

International operations

Central London **c.£50,000**

Our client is a privately-owned, diverse international business services group with a turnover in excess of £100m and an outstanding growth record. Current plans include further expansion into the European and US markets and a full Stock Exchange listing.

Reporting to the Group Managing Director, the Group Finance Director will be a key member of the Board and will make a major contribution to the commercial strategy of the group, ensuring that long-term development plans are successfully achieved.

In addition to directing the finance function, the appointee will have significant involvement in the evaluation of potential investments, appraisal of new business areas, and liaison with financial institutions in steering the group towards flotation.

The position will appeal to commercially minded, entrepreneurial Chartered Accountants, aged between 35 and 45, with significant experience of managing the finance function in a similar-sized group or division, preferably in the service sector.

Candidates should have an aggressive but pragmatic approach, with a strong outgoing personality, and be persuasive, self-confident and highly energetic.

The remuneration package is competitive and will include the usual executive benefits and the potential for equity participation.

Please send career details, highlighting your relevance to this appointment, to Fiona McMillan, indicating current salary and quoting **Ref: 1697/FM/FT.**

PA Personnel Services

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Hyde Park House, 60a Knightsbridge, London SW1X 7LE.
Tel: 01-235 6060 Telex: 27874

Ambitious Accountants

major financial services group

Central London **mid/late 20s** **package £22-27,000**

One of the largest and most influential financial groups, our client's substantial interests range from long established market leaders to innovative new businesses and spread right across the financial services sector.

The diversity and changing nature of these activities and the group's reporting requirements have created and will continue to create wide ranging career opportunities for ambitious young accountants.

Initially working in a high profile central team, you will review and appraise the group's activities, controls and information systems. This is an investigative brief providing a thorough insight into the many facets of the group's business and is a proven stepping stone for progress at group or subsidiary company level. It is an exceptional opportunity to enhance your analytical and communication skills in a technologically advanced environment.

Applicants should be qualified accountants aged mid/late 20s, preferably with experience in a major professional firm and now seeking a first move into commerce.

A competitive salary will be negotiated according to age and experience and benefits include a subsidised mortgage, non-contributory pension and relocation assistance where appropriate.

Please write with full career details or telephone David Tod BSc FCA quoting reference D/652/RF.

Lloyd Management

125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

Finance Director

Scotland Up to £20,000 + car + benefits package

Part of a major engineering group, this well established manufacturing company has a turnover in excess of £3m and is looking forward to a period of increased activity through investment in new products and facilities. Having responsibility for the finance function and all systems matters, the Finance Director will join an enthusiastic management team.

The position will appeal to an accountant who is capable of developing new accounting, costing and reporting procedures as well as running an Accounts Department. Particular emphasis will be placed on developing improved *financial information. You will also work closely with Sales* and Manufacturing management to develop improved operating systems for the company.

Candidates should be aged between 30 and 40 with an appropriate accounting qualification.

The rumuneration package will include a profit related performance bonus, car, PPP and relocation expenses where necessary.

Please write with full c.v. to:

Position No. 788
HC Recruitment
14 Wilton Road
Salisbury SP2 7EE

Applications will be forwarded direct to the client. Please enclose a separate list of companies to whom your application should NOT be sent.

HC

FINANCIAL CONTROLLER

Algarve, Portugal **£20/25,000 + car + accomm.**

Famous for its golden sands, the Algarve stretches for over 150kms along the south coast of Portugal. The landscape changes from extensive beaches and rugged cliffs to picturesque fishing villages. It has a superb climate and extensive sporting facilities, while retaining many of its old traditions.

It is within this environment that our client, a UK Management Company, has developed a leisure and entertainments complex near to one of the oldest and most popular resorts on the coast. It is because this has been so successful so *quickly that there is now a requirement for its first Financial Controller.*

This multi-faceted business is varied and exciting. With a further major development programme planned, it will be essential for you to introduce stringent financial controls, computerised accounting systems and efficient management reporting procedures. Your role will also encompass cash and treasury management, cash and profit forecasting, budgets and capital project controls. Many of these developments will involve you in educating staff in good business practices.

The location has obvious attractions – but is also a significant challenge. You will need to adjust to the local business environment, to deal with local staff at all levels, and negotiate with Government agencies – while working closely with the on-site UK Managing Director and acting as a key member of the senior management team. To be successful you will need to be someone of exceptional technical and personal calibre, with excellent communication skills and a high degree of self-motivation and initiative. You are likely to be in your 30's, with a sound track record that has included similar experience.

The company will provide attractive fringe benefits including car, accommodation, and periodic return trips to the UK.

Please contact Dudley Harrop at our Manchester office quoting ref. no. M746.

Trident House,
31-33 Dale Street,
Liverpool L2 2HF
Tel: 051-236 9373

ASB
ASB RECRUITMENT LTD

Eagle Buildings,
64 Cross Street,
Manchester M2 4JQ
Tel: 061-834 0618

Audit Manager

Post Office Headquarters
Chesterfield, Derbyshire
Salary up to £23,000

The Post Office, a successful and profitable business and a major force in *the Country's vital communications and distributions network, is seeking* an Audit Manager for its Corporate Internal Audit Department.

Principal tasks will include:

- development of audit policy and procedures especially in computer audit;
- preparation of audit plans, and organisation and control of programmes;
- the leadership of major audits and special assignments throughout the United Kingdom;
- Secretary to the Post Office Board Audit Committee

To apply you should have the following qualifications and attributes:

- CIPFA, ICA, ICMA or CACA membership;
- Wide ranging audit experience preferably with a large public or private sector organisation;
- Good communication and presentational skills;
- High level of inter-personal, management and motivational skills.

A starting salary of around £23,000 is envisaged based on personal experience and qualifications. A bonus may be awarded for exceptional performance. There is an excellent leave allowance, contributory pension scheme and business mileage allowance. Relocation assistance will be *paid if appropriate.*

If you feel you meet our requirements please write with full personal and career details or phone for an application form to:
Martin Gibson, Room 536, Post Office Headquarters, 33 Grosvenor Place, London SW1X 1PX Tel: 01-245 7083

Closing date for applications is 9th October 1987.

The Post Office is an equal opportunities employer. The policy extends *equally to disabled applicants.*

The Post Office

Head of Corporate Research

Berkshire

Our client, a leading electronics and engineering company, seeks a self-motivated and enthusiastic individual to fill the newly created post of Head of Corporate Research.

Reporting direct to the Board, the successful candidate will be responsible for a wide range of assignments ranging from research of competitors' operations to the search for suitable companies for acquisition on an international basis.

He or she will probably have a formal qualification in business and finance and some industrial, business or other relevant experience. Principally, *however, the candidate will* be self-motivated in the quest for information and capable of working with external consultancies, agencies and other sources of research.

A most attractive *and realistic remuneration* package will be offered to the right person.

Initially, please send a brief career resumé, quoting ref 1517 to: Trevor Austin, Binder Hamlyn Management Consultants, 8 St. Bride Street, London EC4A 4DA.

Company Accountant

Retailing **Oxford** **to £25,000 + car**

We are an ambitious young company with a strong specialist retail and mail order niche selling high quality historical replicas and gifts.

We have experienced entrepreneurial *management and ample funding.* Now we are looking for a qualified accountant to plan and control the financial aspects of our continued expansion.

Successful commercial experience, preferably with a multiple retailer, and a commitment to hard work, are essential for this "hands on" job.

In addition to the satisfaction of being a key member of our management team working with the managing director, a generous package to include profit-sharing is available for the right person. There are of course excellent prospects of growth with the company.

PAST TIMES

Please send detailed CV in confidence to John Beale, Historical Collections, Wootton Business Park, Besselsleigh Road, Wootton, Abingdon, Oxon OX13 6LQ.

International Banking

ACCOUNTING/REPORTING OFFICER

World ranking International Bank offer a career opportunity to a newly qualified accountant in respect of a new position within a specialist group function. The anticipated duties are wide ranging and will include systems/procedures design in accordance with current financial services legislation. There will be ample opportunity for involvement in reporting considerations, automation development and internal/external liaison in a particularly relevant role highly visible throughout the bank. SALARY: c£20,000 + bank benefits

ASSISTANT CHIEF ACCOUNTANT

Highly respected European Bank, long established in London, require a high calibre Accountant with relevant experience and also able to demonstrate appropriate initiative/enthusiasm. Previous banking experience would be advantageous.
SALARY: c£20,000 + bank benefits

AUDITOR

First class European Bank seek to strengthen the management team in London by appointing a person with relevant experience of banking operations and audit procedures. The duties will involve a combination of audit, control, advisory, liaison and reporting responsibilities.
SALARY: c£25,000 + bank benefits

INSPECTION

A Triple A rated European Bank, very active internationally, require two qualified accountants to establish and undertake an inspection operation applicable to both London and various worldwide locations. An exceptional opportunity for future advancement and increased responsibility.
SALARY: £Neg + bank benefits

BANK RECRUITMENT CONSULTANTS.

57/59 LONDON WALL, LONDON EC2M 5TP TEL: 01 628 7601

Gordon Brown

Tie Rack

Financial Accountant

West London c£20,000

Tie Rack is continuing its highly successful expansion programme both in the UK and internationally, and is now looking for a newly qualified ACA to strengthen its finance team. This is a senior position in a busy office and therefore likely candidates will be strong personalities and effective communicators with the ability to run an efficient accounts department under pressure.

Candidates will probably be graduates with a top 8 background but more important is drive and a commercial and committed approach.

Your prospects with this company are excellent and the company has recently moved to impressive new premises in West London.

For details of this, or any other of our newly qualified positions, please telephone Vivienne Hines or Stephanie Mitchell on 01-629 3555.

— Brian Ingram Associates —

70/72 New Bond Street, London W1 9DE

European Audit Manager

Northern Home Counties c£35,000+car

This corporation is a world leader, highly successful and profitable in their market segments. They are a $2bn worldwide organisation which is expanding in Europe by growth and acquisition. They employ 6,000 in over 24 manufacturing and marketing locations in their European structure.

This appointment is a key role in the European management team. It reports directly to the American Headquarters and has broad ranging responsibilities in financial and operational audit including project work covering acquisitions studies and the introduction of new computerised Accounting Systems. The appointment manages a small team based in the U.K. and Germany.

Candidates aged probably 30–45 and qualified accountants will have broad based senior auditing experience gained ideally in a multi-national environment. Prospects in this expanding corporation are excellent and benefits include generous relocation aid. An additional European language would be an advantage.

Please apply in writing enclosing a comprehensive cv and quoting reference GEF72170 to Geoffrey E. Forester, Berndtson International, 6 Westminster Palace Gardens, Artillery Row, London SW1P 1RL. Telephone: 01-222 5555.

Berndtson International

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Group Financial Controller

Netherlands/ United Kingdom

One of our clients is an international, commercial organisation catering to frequent business fliers through a subsidiary network in many countries. It presently has upward of 120,000 permanent and associate members in over 150 countries.

The organisation requires, for its management company presently in The Netherlands, an experienced, interested and professionally qualified Group Financial Controller.

The major responsibilities of the Controller will be to create, streamline and manage co-ordinated accounting systems and the system of financial management information. The Controller will be expected to devise data assistance involved in financial consolidation and manage the co-ordination of legal and international tax matters. The job will involve dealing with multi-currency transactions and diverse accounting and financial regulations. Considerable travel will be involved.

The post-holder will report directly to the Managing Director of the holding company, and will be based both in The Netherlands and the UK. The successful candidate, preferably between 30 and 40 years of age, will be capable of organising all the above tasks in an energetic and effective manner, and will command the following skills:-

- sound knowledge of accounting and auditing, preferably with experience as a qualified accountant for at least five years in an international commercial organisation
- commercial awareness, flexibility and ability to communicate effectively at all levels
- ambition, self confidence, willingness to learn and travel.

Career prospects are excellent with rewards that are commensurate with responsibility.

Please reply with CV including current salary and daytime telephone number, and quoting reference 1514, to:

BinderHamlyn

MANAGEMENT CONSULTANTS

Roger Bull, Executive Selection Division, Binder Hamlyn Management Consultants, 8 St Bride Street, London EC4A 4DA

Financial Planning Manager

Thames Valley **£24,000+car**

This American Healthcare organisation is one of the best managed companies in the world; this is reflected in the importance attached to the Financial Planning function.

As Manager of this function you need to be a Graduate and a qualified Accountant. You will have had experience of a financial analysis or planning role with a multinational environment.

You will take responsibility for the comprehensive financial planning and reporting function in the UK. This will involve regular contact at Board level and constant liaison with Marketing Management to ensure that profit objectives are met and to advise on a broad range of financial issues.

If you are aged in your mid to late 20's and want to advance your career on an international scale, then please contact Richard Warner on 0483 65566 (out of hours 0252 724671) or at the address below.

Management Personnel

Recruitment Selection & Search

York House, Chertsey Street GUILDFORD, Surrey GU1 4ET

COMMUNICATIONS

FINANCE DIRECTOR

£30k + Car + Package

Convergent Communications is the U.K. market leader in interactive video communications and systems. They provide consultancy on information technology strategy and produce and install a range of system solutions which include Customer Information and Point of Sale, Employee Training and Communications, Public Information and Education, and Cable Television, for a prestigious client base which includes many of the Top 100 U.K. companies.

The Company, which has seen a spectacular gross in its business over the past few years, now needs a replacement for its current Finance Director who is due to retire within the next few months.

Applicants for this Board level appointment should be suitably qualified and experienced and able to fit into a highly motivated, energetic and successful commercial operation.

Location: Covent Garden. A generous remuneration package will include assistance with relocation expenses if required.

Please send applications—CV plus three references—to:

Jonathan Welfare of Oxford Venture Management by 8 October.

Oxford Venture Management

213 Woodstock Road Oxford OX2 7AD Tel: 0865 53535 Fax: 0865 512976

Commercial Director with Managing Director potential

South of England

to £32,000 + executive car + benefits

Part of the UK's most prestigious supplier to the building industry and committed to an aggressive policy of growth by development and acquisition, this highly respected organisation benefits from substantial blue-chip resources.

For this new appointment, an individual of exceptional quality is sought to take full control of the financial function and contribute to and implement measures necessary for the development and enhancement of substantial growth opportunities. Success in this role should lead to a Managing Directorship within the Group.

Prime responsibilities include the investigation and appraisal of business development opportunities, providing effective financial and management information, directing and managing the finance department (controlling over 30 profit centres) and co-ordinating further development of the computerised accounting systems.

An astute, qualified accountant probably aged 35-42, with well developed financial management skills, your proven track record in business administration complements your strategic awareness; you will have the determination to achieve results in a highly motivated, demanding environment where the emphasis is on team work.

To apply please telephone for an application form, or preferably, send your cv quoting Ref: 1675/PB/FT to PA Personnel Services at the address below.

PA

PA Personnel Services

Executive Search · Selection · Psychometrics · Remuneration & Personnel Consultancy

St Brandon's House, 29 Great George Street, Bristol BS1 5QT.
Tel: 0272 298504

Southwestern Bell Telecom

Financial Controller

. . . a start up with large company backing

c.£27,500 + car West of London

Southwestern Bell Telecom (UK) Limited is the newly created UK subsidiary of one of the largest corporations in the world. It has ambitious plans to market a wide range of successful US consumer telecommunications products in this country under the brand name Freedom Phone.

There is now an excellent opportunity for a similarly ambitious qualified accountant to play an essential role in this start up operation.

Reporting to the Managing Director, the most urgent task will be to introduce comprehensive computer-based systems and ensure that all procedures are in place for the start of trading. Recruitment of an accounts department will follow as justified.

A graduate, you will have a thorough understanding of systems development and will have been exposed to a US reporting environment, ideally in a consumer products/distribution company. Personal attributes will include self-motivation and flexibility of mind and approach.

If you believe that you have these qualities, please write – in confidence – to Nigel Bates FCA, quoting reference B.34013.

MSL International (UK) Ltd, 52 Grosvenor Gardens, London SW1W 0AW.

Offices in Europe, the Americas, Australasia and Asia Pacific.

MSL International

CORPORATE ACCOUNTANT

APPLIED COMMUNICATIONS OF THE US, the world's most popular EFT software vendor is seeking a highly qualified dynamic and ambitious young accountant for its London office.

The ideal candidate will have a degree level US accounting qualification, at least four years' general accounting experience, and an intimate knowledge of US accounting procedures and income tax matters. A CA qualification and first-hand experience in the use of computers would be an advantage.

A competitive salary and excellent benefits package will be offered to the right candidate. Please reply with cv to: Box No..........., The Financial Times, 10 Cannon Street, London EC4P 4BY.

CHIEF ACCOUNTANT
Haverhill, Suffolk. c.£20,000 + Car + Benefits

Hille Ergonom plc, a USM Company, is a leading manfacturer and supplier of office and contract furniture.

The company, which has four manufacturing sites and a warehousing facility, is now actively seeking to strengthen the financial team by the appointment of a Chief Accountant reporting directly to the Financial Director.

The Chief Accountant will be responsible for:

—All aspects of day to day financial management
—Implementation of financial strategies and policies
—The production of all accounts and financial reporting requirements to strict deadlines
—Management of the Company's treasury and foreign exchange requirements

The ideal candidate will be a Chartered Accountant aged 28-35 who can demonstrate a dynamic and energetic approach towards the development of this very important area of the Company. A knowledge in the application and use of micro based spreadsheet and financial modelling systems will be a distinct advantage.

Please write to:
Mr D. E. Kilbey—Financial Director
Hille Ergonom plc
Hamlet Green
Haverhill
Suffolk CB9 8QL.

hille ERGONOM

Audit Manager

Partnership Potential **International Practice**

We are looking for an Audit Manager to join a regional office of one of the UK's leading accountancy practices.

The office has a broad range of clients and type of work including a significant number of fully listed PLCs. You will be responsible for a number of these clients including some of the PLCs; this will give you excellent experience of acquisitions and Stock Exchange work.

If you are a highly motivated Audit Manager aged 28-35 who has PLC experience, we would like to talk to you. Naturally we shall expect you to be a business-orientated strategic thinker who is technically sound. You must possess good interpersonal skills and be able to lead, communicate, plan and develop.

There are excellent personal and career development opportunities which can provide rapid advancement, much better perhaps than you have at present. The package includes a car, pension scheme, medical insurance and relocation assistance.

If you are interested, telephone Andrew Nicholson FCA or Stuart Adamson FCA on 0532 451212 or send your CV to Adamson & Partners Ltd, 10 Lisbon Square, Leeds LS1 4LY.

ADAMSON & PARTNERS LTD.

Executive Search and Selection

Group Financial Director

CONSUMER PRODUCTS

c£28k + bonus, car

Our client is an important, medium sized PLC with well established, expanding, and profitable international operations.

A Group Finance Director is now required to assume complete control of the function which provides an accounting service to both the trading divisions and the Holding Company. Reporting with the Operational Managers and the Systems Director to the Managing Director, key responsibilities will be providing effective controls and management information, work on acquisitions, treasury management and overseeing systems.

Candidates, male or female, must be qualified accountants, preferably Chartered and in their mid to late 30's. They are most likely to have a consumer products background and should have strong leadership qualities developed in a demanding and fast moving environment.

An attractive remuneration package will be negotiated including a salary in the region of £28,000, bonus, car and share option scheme. Location Home Counties.

Please reply in strict confidence enclosing full career details to Michael Hann, Bull Thompson & Associates, 63 St Martin's Lane, London WC2N 4JX quoting ref 1260.

Bull Thompson

CORPORATE AND RECRUITMENT CONSULTANTS

Part or Recently Qualified C.I.M.A.

City £14-16k negotiable

An established, profitable private retail company located in central London seeks a part or recently qualified management accountant to take complete control of all accounting matters, reporting directly to the Managing Director.

The successful applicant should be capable of preparing and maintaining monthly accounts, cash flows, budgets etc. Familiarity with computerised systems would be an advantage.

This is a new key appointment in an expanding business which will provide many opportunities for advancement.

C.V. to retained adviser: Hadrian Consultants Ltd., York House, Hadrian Way, Southampton, SO1 7HX.

Financial Analyst

N.W. London c.£19,000 + Car

Our client is a highly successful U.K. chemical company and is part of a major international group with worldwide diversified interests.

An attractive opportunity has arisen due to internal promotion for a recently qualified graduate Accountant as a Financial Analyst. The position involves exposure to the diverse U.K. business and will include liaison with senior management, detailed investigation and preparation of capital expenditure proposals together with business planning.

Personal qualities are most important — good written and verbal communication skills, together with self motivation are all essential ingredients. Extensive use is made of Information Systems, both main frame and personal computers.

A progressive salary, company car and good prospects exist for an effective contributor.

Please write with full c.v. to The Confidential Reply Supervisor, Austin Knight Advertising, 17 St. Helen's Place, London EC3A 6AS. Quoting reference 9681.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter.

Austin Knight Advertising

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50 successful years behind us. At least 2 rewarding years in front of you.

Operations Auditor

Bahrain c£24,000 p.a. (currently tax free)

The Bahrain Petroleum Company BSC (Closed) has a vacancy for a Senior Auditor in its Internal Audit Department.

Candidates must be qualified Accountants with at least five years' post qualifying experience ideally in oil, petrochemical or an allied industry.

We are seeking a person with broad audit experience, well versed in operational as well as financial auditing. Familiarity with computer audit techniques is desirable and previous overseas experience would be an advantage.

Benefits are as follows

* Free furnished accommodation and utilities
* Free primary schooling in company school
* Generous assistance towards secondary education for eligible children

Contracts are for two years renewable by mutual agreement.

Send full CVs to:- Personnel Relations Department, Caltex (UK) Limited, Griffin House, 161 Hammersmith Road, Hammersmith, London W6 8BS or telephone Mr. A. Blackburn on 01-748 6565 quoting reference 1494.

BAPCO

SOCIÉTÉ GÉNÉRALE MERCHANT BANK plc
The London merchant bank of Société Générale, France

Two interesting openings have arisen in Société Générale Merchant Bank plc, the London subsidiary of one of the largest international banking groups.

BANKING & LOANS EXECUTIVE (AGE 30 - 40)

We need an experienced credit analyst with good banking experience in the City of London, who has a degree in a relevant discipline and is AIB qualified.

Desirable attributes would be marketing experience in a banking environment, and a measure of fluency in business French.

Salary range £18k - £25k, including usual banking benefits.

CORPORATE FINANCE ASSISTANT (AGE 23 - 25)

This is a new position based in London, for an assistant to support a small Mergers & Acquisitions team. We envisage a recently UK-qualified accountant with corporate finance or other relevant exposure, also an understanding of French language for business.

Salary range £12k - £15k, including usual banking benefits.

If you would like to be considered for either of these appointments, please write in confidence, with CV and date of availability, to:

Tom Orsler, Head of Management Services,
Société Générale Merchant Bank plc,
7th Floor, 60 Gracechurch Street, London EC3V 0ET.

COMMERCIAL DEVELOPMENT OFFICER

Applications are invited from suitably experienced persons with an appropriate professional qualification for the post of Commercial Development Officer in the Economic Affairs Division of the Isle of Man Treasury. Candidates should have a thorough understanding of economic, financial and business affairs, and be capable of dealing with a wide range of issues including:-

(a) co-ordinating Government's promotional and advertising activities;
(b) identifying new opportunities for development of the Manx economy;
(c) reviewing the commercial attractions of the Island and considering various options for improvement;
(d) providing a first point of contact for those individuals and companies considering the Isle of Man as a place for business, residence or commercial investment;
(e) liaising with the private sector and the media;
(f) being involved with feasibility studies, surveys and market research;
(g) any other duties in the commercial sphere at the request of the Economic Adviser.

Further details of the duties of the post can be obtained from the Economic Adviser (Tel: 0624 26262 Ext: 2704).

The post is permanent and pensionable on a non-contributory basis (save for a contribution of 1½% toward family benefits) and has a present salary of £15,030 to £18,530 per annum. Starting salary will depend on qualifications and experience. A removal expenses grant of up to £1,500 is payable and the current rate of income tax on the island is 20%.

Application forms and further details of the terms and conditions of service can be obtained from the Secretary, Civil Service Commission, Personnel Office, Central Government Offices, Douglas, Isle of Man (Tel: 0624 26262 Ext: 2835) and to whom completed forms should be forwarded on or before 21 October 1987.

ISLE OF MAN CIVIL SERVICE

COMPANY ACCOUNTANT IN THE VIDEO/RECORD INDUSTRY

Shortly to consolidate their activities in new headquarters in West London

This is an exciting opportunity for a high calibre accountant to join our rapidly expanding company which presently has a turnover over circa £15m per annum. This new appointment requires applicants who must be capable of sound accounting knowledge and be able to work well under pressure so as to produce timely monthly financial and management accounts. The practical knowledge of small computer operations is advantageous. The prospective applicant will operate as a key member of the executive team and will need to be fast, flexible and innovative.

Salary and benefits are fully negotiable.

Reply to Box A0672, Financial Times, 10, Cannon Street, London, EC4P 4BY.

Group Chief Accountant

East Midlands

c£28,000 + car

Our client is a highly acquisitive, decentralised and fast moving UK plc with a turnover approaching £200m. It has achieved a reputation for excellence within its sector and is widely regarded as one of the UK's leading publishing and communications groups.

Due to continual expansion and growth an opportunity has arisen for the appointment of a Group Chief Accountant.

Reporting to the Group Controller the successful candidate will be an important member of the senior financial management team. The function will have exposure at the highest level within the group as well as developing close ties with operating personnel and therefore inter-personal skills are very important.

The role will include the provision of financial and management information for the board, advising on accounting and technical matters, and liaising closely with senior divisional management.

Candidates, age indicator early 30's, should be qualified accountants with strong technical ability and a good commercial awareness. Opportunities for advancement within the Group are truly exceptional.

Please write enclosing full resume or telephone quoting Ref: 143 to:–
Philip Cartwright FCMA,
97 Jermyn Street,
London SW1Y 6JE.
Tel: 01-839 4572.

Cartwright Hopkins
FINANCIAL SELECTION AND SEARCH

Financial Controller

Building & Civil Engineering c.£20,000+car

We are looking for a young Financial Controller for one of the North's most respected and successful building and civil engineering contractors.

Reporting to the Financial Director, you will lead a small team responsible for the whole financial function and you will be involved with acquisition work.

You should be aged 27-33 and a qualified accountant who has some construction or civil engineering experience. You must be an ambitious self-starter who is business orientated and a strategic thinker. Good interpersonal skills, plenty of enthusiasm and a strong personality will be essential.

Your personal and career development opportunities are excellent and the package includes a car, pension scheme, medical insurance and relocation.

If you are interested, telephone Stuart Adamson FCA on 0532 451212 or send your CV to Adamson & Partners Ltd, 10 Lisbon Square, Leeds LS1 4LY.

ADAMSON & PARTNERS LTD.
Executive Search and Selection

Controller

Management Information

West London c£27,000 + car

Our client is a leading media organization (t/o $300m) operating internationally with offices in Europe, the Far East and Latin America.

The role has been created to centralize and rationalize the production of all types of management information to shareholders, sales, marketing and financial personnel. The position will be high profile in a demanding environment.

Candidates should have the following attributes:–

- Qualified accountant, preferably ACA
- Age indicator 32–37
- Proven experience of management reporting and analytical skills
- Good presentational and man-management skills arising from experience in a marketing orientated company

The role will involve responsibility for a department of 20 staff.

Please telephone or write enclosing a full resume quoting ref: 144 to

Nigel Hopkins FCA,
97 Jermyn Street,
London SW1Y 6JE.
Tel: 01-839 4572

Cartwright Hopkins
FINANCIAL SELECTION AND SEARCH

Acquisitions Analysis

Newly Qualified Accountant

£21,000 + Bonus ***West London***

Taking responsibility for acquisition analysis, competitor investigation and the promotion of information technology, you will report to the F.D. of this £150m turnover division of a prestigious British multi-national. Consisting of 5 autonomous operations with activities ranging from production to transportation, their substantial growth has been both organic and acquisitive.

To join the Financial Planning team, you should be Newly Qualified ACA/ACMA/ACCA, aged 23-27 seeking up to 3 years business exposure prior to moving into Divisional Directorship.

Please contact NICOLA LENDRUM quoting reference 4192 on 01-404 3155, at ALDERWICK PEACHELL & PARTNERS, (Financial Recruitment, Consultants), 125 High Holborn, London WC1V 6QA.

Alderwick and Peachell PARTNERS LTD

Hoggett Bowers

Executive Search and Selection Consultants

BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, SHEFFIELD and WINDSOR

A MEMBER OF BLUE ARROW PLC

Business Development and Acquisitions – A Corporate Role

Engineering
Hertfordshire, c £30,000, Car, Benefits

This is a senior position for a talented, qualified accountant in a well known, acquisitive engineering group with international interests and with a current turnover in excess of £150m per annum. Further ambitious plans are based on growth both organically and through acquisitions. You will be required to have a high level of analytical and financial skills necessary to identify, evaluate and recommend future business opportunities in line with the overall strategy of the group. In addition to a high level of general business acumen, you must have the communication ability to influence people at the most senior level within the group, operating subsidiaries and important outside contacts such as targetted acquisitions, institutions and the like. A proven and successful record in this kind of business development role, particularly in the manufacturing or engineering sector would be ideal. There is a real career opportunity at very senior level for the right calibre of individual.

J.A. Thomas, **Hoggett Bowers plc,** *1/2 Hanover Street,*
LONDON, *W1R 9WB,* **01-734 6852.** *Ref: L13034/FT*

Finance Director/ Company Secretary

South West, c £28,000, Bonus, Car

This well-established public company publishes about 200 new titles a year and embraces the UK's second largest Book Club. Turnover last year was just under £10 million and further growth is planned, both organically and through acquisition. Reporting to the Chairman, you will be heavily involved in the strategic development of the Group, carrying out financial appraisals of potential acquisitions/activities and liaising with the institutions. At the same time, you will exercise overall financial control of the Group and be responsible for Company Secretarial duties. You will need to be a Chartered Accountant, aged probably around 40–47, with significant relevant commercial experience. Interpersonal and communication skills will have to be of the highest order. In summary, the company is interesting, the position is challenging and the rewards are attractive, while the location is in an exceptionally pleasant part of the West Country.

K. Townrow, **Hoggett Bowers plc,** *30 Queen Square,*
BRISTOL, *BS1 4ND,* **0272 298433.** *Ref: D11022/FT*

Company Secretary

Manufacturer en route for a Management Buyout
East Yorks,
c £25,000, Car, Non-Contributory Pension, Relocation

This is a rare opportunity to become involved with a medium sized manufacturer of consumer durables leading towards a management buyout and possible flotation within a 4 year period. The appointed candidate could become part of the company's inner sanctum of management, taking the company forward. This is an all embracing role covering all aspects of Company Secretary's work — insurances, pensions, salary administration, industrial relations, safety, legal agreements, product liability law, car policy, administration and so on. It therefore requires a talented highly committed individual with a strong pragmatic approach. The ideal candidate will be aged 35–45, a law graduate and ACIS with experience in a consumer products manufacturing company. Management buyout or USM experience would be an added bonus. Reporting is to the Managing Director. The prospects are very real and indeed a rarity; the benefits include commission on profits, a non-contributory pension, medical insurance and relocation costs.

P.A. Adderley, **Hoggett Bowers plc,** *7 Lisbon Square,*
LEEDS, *LS1 4LZ,* **0532 448661.** *Ref: L11021/FT*

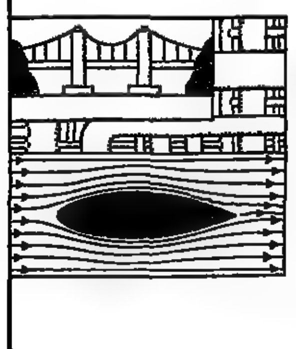
Young Financial Executive

Mergers & Acquisitions
Central London,
c £24,000, Plus Benefits Appropriate to a Large Group

This major, well known and respected UK Group is committed to profitable corporate development through acquisition and occasionally divestment as well as organic growth. A small team of financial executives based at the Group Headquarters works closely with Group senior management and provides recommendations and information on which these Board decisions are based. Expansion of this team is now necessary and the need is for a further professional with a first class intellect, capable of the conceptual thinking required. The role is broad and includes the analysis and critical appraisal of opportunities and an active involvement in the acquisition process. Candidates will probably be young qualified Accountants and/or MBA's with some commercial experience since qualifying. They should in addition to professional skills have a natural authority that earns the respect of senior management and be prepared on occasions to work very long hours and travel abroad. Benefits and prospects are excellent.

Male or female candidates should send full details of career to date to:
I.L. Duff, **Hoggett Bowers plc,** *1/2 Hanover Street,*
LONDON, *W1R 9WB,* **01-734 6852.** *Ref: H14019/FT*

These positions are open to male or female candidates. Please telephone for a Personal History Form to the relevant office, quoting the appropriate reference.



Professional skills for a Professional University

* Successfully meets the demands of industry, commerce and the professions, particularly the City.
* Provides courses with a strong vocational bias.
* Raises more than half its £30 million annual turnover through private funding.
* Has 4,000 students and 1,500 staff.
* Runs successful business enterprises as well as mainstream teaching and research.
* Has one of the biggest and most successful Business Schools in the country.

Two accountants are now needed to provide the professional, technical and innovative skills necessary for the University to maintain and develop its range of courses, research activities, services and enterprises.

FINANCIAL ACCOUNTANT TO £19,600

A key post, involves working with the Chief Accountant and sharing management responsibility for staff engaged in payroll, purchase ledger and cash/debtor functions.

You will be directly involved in the preparation of annual accounts (including University Companies), the completion of financial returns, cash reconciliations, long term and money market investments and insurance.

MANAGEMENT ACCOUNTANT TO £19,600

A new post, created to provide effective supervision and leadership to a small management accounting team.

You will be involved in preparing, monitoring and controlling budgets for all the University's activities and be expected to provide information and advice to non-financial managers. You will be expected to initiate and progress the development of management information systems, performance measurement, project appraisal and cost analysis.

* * * * * * *

Applicants for both positions should be qualified accountants with first class technical and communication skills. Experience and enthusiasm for computer based information systems is necessary, as is a good track record of working effectively with senior staff of other disciplines.

Benefits include season ticket loan scheme, generous holiday entitlement, and excellent sports and recreational facilities.

For further information and an application form please write to Jane Cameron, Personnel Recruitment Assistant, The City University Northampton Square, London EC1V 0HB, or telephone 01-250 1107 (24 hour answering service). Closing date for receipt of applications 9th October 1987.

CITY University

Young qualified graduate accountants
£21,000-£28,000 to start
+ excellent career prospects

How much financial acumen goes into a tin of cat food?

When that tin of cat food happens to be the country's single biggest-selling grocery product, quite a considerable amount.

It takes the collective financial expertise of some very *bright brains indeed to contribute* to the *running* of a highly successful, £400+ million business based on the most advanced technology in its industry.

We're Pedigree Petfoods, a major company within the Mars Group. The starting salary shows that we're serious about attracting real talent. Your best guide to career prospects is that, whichever Mars unit you visit, anywhere in the world, you're likely to find senior managers who initially joined Pedigree Petfoods.

Now, following two promotions, we're looking for ambitious young qualified accountants who already *show the potential* to make a significant impact on our business future.

We're not looking for narrow specialists to fill particular jobs. We want to hear from accountants with a flexible attitude to their development who will actively seek a range of different challenges as their careers progress.

Are you good enough to take on these challenges?

Are you one of the high-achieving accountants who can meet our demands?

A comprehensive benefits package will include assistance with relocation to the attractive rural East Midlands near Melton Mowbray if appropriate.

To obtain more detailed information, ring 0533 551282, ext 604 (manned 24 hours a day).

Do not send a cv at this stage. Closing date for receipt of completed application forms: Friday 16th October 1987.

Applications are invited equally from women and men.

Pedigree Petfoods

FINANCIAL CONTROLLER

East Midlands £25,000 p.a.+Car+Benefits

An interesting and challenging career opportunity is offered by our clients—who are involved in residential housebuilding for the private sector.

The successful candidate will be Financial Controller of the major Division of this substantial privately owned Group, and will take on a *demanding and rewarding senior role. The post* will suit a qualified Accountant with excellent technical skills, good people management abilities and a "down-to-earth" approach. This should be backed up with several years post-qualification commercial experience; ideally gained within a manufacturing environment.

Responsibilities will include: control of the accounting and administration *function; preparation* of budgets; provision of timely management information; *computer systems enhancement;* and liaison with other Divisional Executives.

The Division has expanded rapidly within recent years, and will continue to do so. This expansion allows for further scope for development in this post. An extremely attractive salary and benefits package is available. The Group is based within 25 minutes drive of Birmingham City Centre, and is easily reached via the motorway network.

Please apply, in writing, *with full career and* salary history details, quoting reference 081/87 *to Louisa Chapman.*

KPMG Peat Marwick McLintock
Executive Selection
Peat House, 45 Church Street, Birmingham B3 2DL.

BTG British Technology Group

Financial Planning & Analysis – London

World Leader in Technology Transfer

The British Technology Group is a recognised force in transferring invention and innovation to the market place. *With a strong commitment to technical excellence, BTG is seeking to recruit two proactive individuals who will* play a significant role in influencing the Group's future direction.

Senior Accountant Financial Planning & Analysis

Salary Indicator £18,000-£25,000+car

This is a position that will appeal to qualified accountants *in their late 20's who are keen to progress their* career in an environment which utilises sophisticated computing and communication tools.

The role includes responsibility for co-ordinating the corporate planning, forecasting and budgeting *processes, financial management reporting,* and, utilising an expanding level of statistical analysis, for interpretation and forecasting business trends.

As well as offering a high standard of technical ability, candidates should be proactive, energetic and have *an aptitude for initiative and creativity* in a demanding environment. Computer literacy is essential.

Financial Planning & Budgeting Executive

Salary Indicator £12,000-£17,000

This post offers an opportunity for a young and ambitious individual to develop skills in the planning and analysis field in a complex environment.

Assisting the Senior Accountant in all aspects of the work of the department, candidates must be familiar with financial modelling techniques and have a knowledge of statistics.

Candidates, not necessarily yet qualified, will have *had some experience in this field in a commercial* environment and possess similar qualities to those required for the senior position.

Please write or telephone for an application form or send a CV to: Personnel Manager, British Technology Group, 101 Newington Causeway, London SE1 6BU. Telephone: 01-403 6666.

Financial Control and Administration

... a wide commercial role – director potential

c.£25,000 plus car: LONDON

This is an opportunity to join a small but expanding group that needs both professional financial control and management, and a deputy for the Managing Director who will be involved in every aspect of this international business.

Candidates will be Chartered Accountants, aged 28-40, with broad experience in a sales and manufacturing business, and able to use personal computers to provide accounting information and to track key business indicators. Successful operation will lead to a directorship followed by probable floatation in the medium term.

Please write – in confidence – with full details to Michael Carr, quoting ref. B.16130.

MSL International (UK) Ltd, 52 Grosvenor Gardens, London SW1W 0AW.

Offices in Europe, the Americas, Australasia and Asia Pacific.

MSL International

We are seeking two further members of the Board for an *exciting* new *London*-based initiative in the *Motor* Trade, that is at a late stage of a venture capital placing.

Chairman (Non Executive)

The right person for this role will be a business person or senior executive, preferably with experience of a rapidly growing multi-location retail service industry, who will enjoy the challenge of guiding and supporting a young management team. Fees and expenses negotiable.

Finance Director (Qualified Accountant)

£24-30,000 per annum 28-40yrs

This key role will report to the Managing Director and be responsible for providing a full range of managerial *information and implementing a computerised system* for customer accounts and work flow control, that can be reproduced across multiple sites.

Please write for further information in confidence with full curriculum vitae to Robert Ashby, Chairman.

ROBERT ASHBY & COMPANY PLC
Venture and Development Capital Sponsors
Trinity House, 6 Pembridge Road, London W11 3HL.

BURTON GROUP FINANCIAL SERVICES

FINANCIAL ACCOUNTANT

c£18,000 p.a. + car + substantial bonus

A rapidly expanding financial services group requires a financial accountant at its London Bridge office. Reporting directly to the Financial Controller, responsibilities will include:

- production of monthly management accounts
- control over nominal ledger
- recruitment, training and supervision of accounts staff
- ad hoc spreadsheet reports
- on-going systems development

Suitable candidates, aged 25 - 35 will be self-motivated, enthusiastic and have strong interpersonal skills as well as the ability to thrive in a *pressurised environment.* This demanding and highly commercial role offers excellent scope for career progression.

Written applications with full c.v. please to be sent in confidence to the Personnel Officer, Burton Group Financial Services, 128-132 Borough High Street, London SE1 1LB

Finance Manager

A key role in international pharmaceuticals
to £20,000 + car Bucks

Roussel Laboratories, the British subsidiary of one of the world's leading pharmaceutical groups, researches, manufactures and markets a wide range of ethical pharmaceuticals.

In this fast-track career development role, based in our modern head office, you will be responsible to the Financial Controller for the management, financial and budgetary accounting as well as co-ordinating the UK operations management reporting to our French parent company.

An ACMA, ACCA or ACA, in your late 20s to early 30s, you should have several years' relevant post-qualification and man-management experience. Familiarity with computerised systems and excellent communication skills are essential.

We provide first-class benefits including twice-yearly salary review, profit-share, free restaurant, free family BUPA, free life, sickness and accident insurance, non-contributory pension scheme and relocation assistance, if appropriate.

Please telephone for an application form or send your cv to
Mrs Elizabeth Bedford,
Roussel Laboratories Limited,
Broadwater Park, Denham,
Uxbridge, Middlesex UB9 5HP.
Telephone: 0895 834343.

ROUSSEL

Financial Adviser to HM Inspectorate of Constabulary

Salary up to £26,000

A high-level advisory post for a professional accountant

As Financial Adviser to the Inspectorate, you will provide professional advice on all aspects of police service finance; assemble and interpret financial information on forces for use as part of the Inspection process and advise on proposed police budgets for new joint boards. You will also provide an *in-house service to various Home Office* departments.

The appointment is for an initial period of 2 to 5 years with the possibility of extension or permanency.

You must possess a professional accountancy qualification (ie membership of CACA, ICA, CIMA or CIPFA) and *have considerable professional* experience and initiative.

For further details and an application form (to be returned by 12 October 1987) write to Civil Service Commission, Alencon Link, Basingstoke, Hants RG21 1JB, or telephone Basingstoke (0256) 468551 (answering service operates *outside office hours). Please quote ref: G/7355.*

The Civil Service is an equal opportunity employer

HOME OFFICE

YOUNG QUALIFIED ACCOUNTANT

£ HIGHLY COMPETITIVE + CAR + BENEFITS

This is an opportunity for a young Accountant to develop a career with an old established Registered Insurance Broker based in South Herts.

The successful applicant will take over full financial control of the business which has a £5 million turnover.

Reporting directly to the Managing Director, he/she will be responsible for all accounting and Company Secretarial matters.

Please apply with full C.V. including current salary to:

J. M. Cooper, Managing Director,
LRG Insurance Brokers Limited,
101a High Street, Rickmansworth, WD3 1DZ
(Close to Junction 18, M25)

FINANCIAL CONTROLLER

City of London from £18,000pa

A large international organisation in the Holborn area of the City has a vacancy for a recently qualified Chartered Accountant to join its Finance Division.

Applicants, preferably aged 25-30, should be graduates who have qualified with one of the major accounting firms. Two years post qualification experience, in Industry, Commerce or the Profession, is desirable.

An excellent total remuneration package is available and applicants should write with a full CV or for an application form to Mr. J. J. I. Hawkins, 17 Charterhouse Street, London, EC1N 6RA.

FINANCIAL DIRECTOR

Leicester c£25,000 + car

Having recently been acquired by a prestigious UK Group this manufacturer of high quality consumer goods is on the verge of an exciting period of growth. Turnover is currently moving through £6m per annum — a substantial proportion of which is for overseas markets. Already a market leader with a reputation for excellence, the opportunities now before them allied to energetic marketing, places the Company in an enviable position with future plans designed to consolidate this advantage.

This is an exceptional opportunity for an experienced and imaginative accountant possibly seeking a first appointment at Board level. Applicants must be qualified accountants from a manufacturing background preferably with experience of small *batch production methods. In addition to technical* maturity the role demands business awareness and well developed interpersonal skills which together indicate a likely age range of 35 to 45. The desire to actively contribute to business planning and strategy will be seen as particularly relevant as will the ability to operate in a fast moving environment.

Applicants should write with full details of career to date and present earnings quoting reference FT0903 to Paul Blake, CIMA, at:

QMS Recruitment
Quorn House, 6 Princess Road West
Leicester LE1 6TP

Potential Line Manager

Cambridgeshire £Negotiable + car + relocation

As a young ambitious graduate ACA, probably aged between 25-35, who qualified *with a top* professional firm, you are seeking a career path within an expanding public company. In return for genuine career prospects, you must have gained experience within manufacturing industry either via the profession or within a commercial company.

You will undertake operational and some financial audits, carrying out management reviews including introducing real-time computer systems. The emphasis will be on a practical problem solving approach offering considerable scope for initiative in achieving the objectives set by Senior Management. Particular attributes required will be objectivity, maturity and clear concise *communication, in both verbal and written* format.

This opportunity arises as a direct result of recent promotion within a diverse manu*facturing group, who continue* their development through a planned programme of acquisition and organic growth.

Please contact Jenny Hanford for an application form or send a full c.v.

Telephone (0727) 35116 (out of hours (0727) 56986)

Management Personnel
105 St Peter's Street, ST ALBANS, Herts AL1 3HH.

GROUP ACCOUNTANT

c.£20,000 p.a. plus car
SUTTON, SURREY

Expanding service company wishes to appoint a qualified accountant looking to share in the rewards offered during this exciting phase of development.

Prospects within 3 years to be a group director assisting the company to the U.S.M.

C.V. to:
A. H. Hinwood, Financial Director
GLOBAL GROUP
8-10 High Street, Sutton SM1 1HN

UNEMPLOYED UNDER EMPLOYED

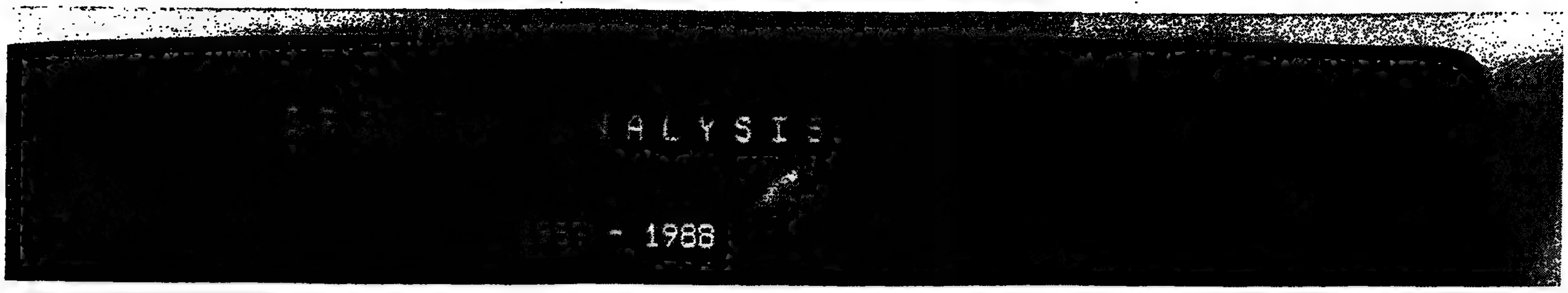
There's a fine line between the two for Senior Executives/Directors.

If your time, skills and abilities are being under-employed, you might just as well be unemployed. You have realised something has gone wrong with your career but may not know how to correct it.

For over 30 years, the Consultants at Chusid Lander have helped thousands of senior people either to revitalise their present careers or discover and explore new career paths.

To arrange a confidential appointment, without obligation, telephone 01-580 6771.

CHUSID LANDER
35/37 Fitzroy St., London W1P 5AF.



Broader perception, greater influence

OPPORTUNITIES FOR ACCOUNTANTS £16,000 TO £20,000

We are looking for qualified, commercially aware accountants to make their mark in our rapidly changing business environment.

Once you are qualified, it is easy to follow the time-honoured Accountants' career path. The problem arises when you have a great deal more to offer than your present employer knows what to do with.

The Tesco alternative is to let you combine accountancy with your broader commercial instincts, providing strategic advice and guidance, directly influencing the business through either financial and management accounting or audit.

It's an opportunity for you to get ahead of the field in a fast-moving, commercial environment.

You will be working in a team under pressure to meet deadlines. Not only setting the pace for Tesco *accounting standards, you will also be furthering* the progress of a financial function that believes in leading, not following.

You will need to win the support of line management by showing how accountancy benefits business. You will be liaising with personnel at all levels, so good communication skills and business-oriented professionalism will be essential qualities.

It's a tough but rewarding course. Come to us with a relevant qualification and a proven track record and we will show you our commitment to your career progression. Benefits include comprehensive training, plus re-location assistance, free BUPA and, after a qualifying period, *profit sharing and staff discount scheme. Some* positions also attract a company car.

TESCO

TESCO MEANS BUSINESS

CHIEF ACCOUNTANT—CONTRACT HIRE
£21k + BONUS + CAR

Arlington Contracts, a rapidly expanding Contract *Hire subsidiary of Unigate PLC* and based in *North* London, requires a qualified Chief Accountant (preferably ACA)

Scope of the job includes:—

—Full responsibility for the Accounts Department, controlling a staff of 15 people, supported by on-line Digital computer systems.

—Timely preparation of the monthly accounts package and management information reports.

—Budget preparation and analysis.

—On going management support to the Managing Director on a daily basis.

Excellent remuneration package, including profit related bonus and company car.

Preference will be given *to applicants* who can demonstrate good man management skills and experience working with both on-line computer systems and IBM PC packages (*Lotus etc*).

Applications to:
Mr G. Phillips
Personnel Director
Arlington Motor Holdings PLC
Ardent House
Gates way
Stevenage
Herts SG1 3NF

Buckinghamshire County Council

DEPUTY COUNTY TREASURER
Salary Circa £30,000 + significant benefits

This vacancy has arisen as a result of the promotion of the current postholder to County Treasurer of another authority.

Buckinghamshire is a most pleasant part of the country and continues to be the fastest growing county in England. The department is some 200 strong and the County Treasurer is also Treasurer to the Thames Valley Police Authority.

The postholder will have a key role in the management of the department and be expected to contribute to the formulation of financial policy in the preparation for the next decade. He/she will be a qualified accountant with extensive senior management experience, preferably with a major local authority.

The County Council's benefit package includes:—
1. a relocation package up to £7,000
2. a mortgage subsidy, where appropriate
3. a subsidised leased car.

Application forms are available from the County Personnel Officer, County Hall, Aylesbury, Bucks. HP20 1UA. Telephone (0296) 395000, Extension 2991.

Closing date: 16th October 1987

MANAGER – MANUFACTURING ACCOUNTS
Hi-Tech Products
West of London **c. £20,000 + car + benefits**

Our client, a subsidiary of a major British group and the U.K.'s leading manufacturer in its field of hi-tech products, is highly profitable and expanding. Recent changes at Board level have initiated a new manufacturing strategy with which the Manufacturing Accounts Manager will be heavily involved. Reporting to the Financial Director and leading a small team, responsibilities include product costing, *manufacturing* planning, inventory control and systems implementation, and the position presents the opportunity to contribute to the continued growth and profitability of the company.

Candidates must be qualified and have relevant manufacturing experience. The *ability to relate effectively* with *management* throughout the company is essential. Relocation expenses are available where appropriate.

Written applications enclosing up-to-date curriculum vitae, should be *submitted in strict* confidence to **Eric Sutton** or **Steve Hackett** at our London address, **quoting reference no. 1047/7998.**

FINANCIAL & MANAGEMENT RECRUITMENT CONSULTANTS
DOUGLAS LLAMBIAS
LONDON LIVERPOOL MANCHESTER ABERDEEN EDINBURGH GLASGOW
DOUGLAS LLAMBIAS ASSOCIATES LIMITED, 410 STRAND, LONDON WC2R ONS
TELEPHONE: 01-836 9501

Bursar

An important new senior administrative and financial management appointment.

Responsibilities of this newly-created post will cover all aspects of the financial management of the Gallery and will include devising financial control systems, forward budgeting and planning and administrative management of around 300 staff.

You should have good communication skills and work experience must include elements of personnel management, financial planning, budgetary control and corporate strategy. An interest in Western European Art and in the work of the National Gallery is desirable.

Salary £26,230 rising to £29,680. The appointment is initially for a period of three to five years, with the possibility of extension or permanency.

For further details and an application form (to be returned by 14 October 1987) write to Civil Service Commission, Alencon Link, Basingstoke, Hants RG21 1JB, or telephone Basingstoke (0256) 468551 (answering service operates outside office hours). Please quote ref: G/7347.

An equal opportunity employer

THE NATIONAL GALLERY

DEWEY WARREN HOLDING PLC
GROUP FINANCE DIRECTOR
SENIOR INVESTMENT MANAGER
TWO MARKET ANALYSTS

THE COMPANY Dewey Warren Holdings plc is a Group planning expansion and intending to become a diversifed and broadly-based financial services company. The Group is well placed to achieve its objective, having recently increased its capital base. It has now embarked upon an important acquisition programme to further its business and client base.

THE POSITIONS The Group now wishes to appoint a Group Finance Director, a Senior Investment Manager and two Market Analysts as part of that expansion programme.

FINANCE DIRECTOR Successful candidates will need to be qualified and to demonstrate substantial experience and success in the areas of acquisition, development and management. They will probably already be a Finance Director with a company operating in the broad financial services sector. The *Finance Director will be involved in all* aspects of the Group's growth and must be prepared to participate fully in planned major developments, both in the UK and overseas.

SENIOR INVESTMENT MANAGER The Investment Manager will control the portfolio of investments and be responsible for the generation and administration of new investment opportunities. Candidates must have a *proven track record and wish to* work in a demanding environment.

MARKET ANALYSTS Two Market Analysts are required having experience respectively in financial services and insurance. They will provide rapid and effective analysis for both investment and acquisition purposes. Demonstrated success is required, together with a high standard of written and oral presentation and a flexible approach. Age 25-40. Would particularly suit ambitious professionals with good experience who are seeking to broaden scope of their activities.

APPLICATIONS *Please write with a Curriculum Vitae, marking the envelope "Private and Personal" to:*

Mr P. A. Long
Deputy Chairman
Dewey Warren Holdings plc
10 St Mary at Hill
London EC3R 8EE

GROUP ACCOUNTANT
FOR COMPANY WITH
ANNUAL TURNOVER EXCEEDING £40,000,000

This is a newly created position with career potential within an expanding steel merchant and stockholding group. The group has enjoyed considerable success in recent years and turnover has grown from £5m to in excess of £40m. Reporting to the Company Secretary/Financial Controller, you will provide senior level administrative and accounting support and will assist with the day to day running of a department of twelve. You will be expected to make a significant contribution to the continued development of administrative and management accounting policies and procedures, with particular emphasis on computerised systems.

You are a Qualified Accountant with a practical knowledge of computerised accounting systems together with administrative and supervisory skills. You are commercially aware with the ability to work as a member of a small team. Salary of up to £25,000 and additional benefits of a company car, pension and private medical insurance. Preferred age 30-45.

Please write—in confidence—with details of career to date and current salary to Mr D. F. X. Clifton, Samac International Limited, Station House, Harrow Road, Wembley, Middlesex, HA9 8NL.

The Institute of Chartered Accountants in England and Wales

Results of Professional Examination II held in July 1987

List of Successful Candidates

A

Abbott P. G. (Hillier Hopkins), Watford
Abel G. A. (Saffery Champness), London
Adair D. A. (Arthur Andersen & Co), London
Adair S. A. (Coopers & Lybrand), Leeds
Adams C. D. (Arthur Andersen & Co), London
Adams N. F. (Coopers & Lybrand), London
Adams W. J. (Binder Hamlyn), Birmingham
Adamson M. A. (Pannell Kerr Forster), Sheffield
Addis W. D. (Arthur Andersen & Co), London
Adlam T. R. (Peat Marwick McLintock), London
Adye C. J. (Ernst & Whinney), London
Aitchison J. D. (Grant Thornton), Luton
Alansari S. K. (Binder Hamlyn), London
Albert S. C. (Price Waterhouse), London
Aldwinckle D. M. (Smith Starmer Hart), Kettering, Northants
Alexander I. M. (Booth Ainsworth), Cheadle, Cheshire
Allen D. N. (Winters), London
Allen P. J. R. (Coopers & Lybrand), London
Allison J. N. (Robson Rhodes), Leeds
Allsebrook C. L. (Hobson, Phillips & Sharpe), Nottingham
Alpe J. O. (Coopers & Lybrand), Southampton
Altman S. L. (Arthur Andersen & Co), London
Anderson D. L. (Nevile Russell), London
Anderson N. (Ernst & Whinney), Newcastle upon Tyne
Anderson R. (Fox, Evans & Partners), Coventry
Andrews N. J. (Price Waterhouse), London
Andrews S. C. (Littlestone Martin Glenton), London
Anthony P. J. (Pannell Kerr Forster), London
Argent M. (Peat Marwick McLintock), London
Armstrong C. M. (Chantrey Wood King), London
Ashley M. R. (Hartley Fowler), Mitcham, Surrey
Athaide J. N. (KMG Thomson McLintock), London
Atkins A. J. (Leonard Wilson & Co), Nuneaton, Warwickshire
Atkinson T. (Pannell Kerr Forster), Manchester
Au S. Y. C. (Leach & Co), Richmond, Surrey
Austin K. G. (Touche Ross & Co), Dartford
Axup J. E. (Spicer and Pegler), Leeds
Aye Maung L. (Arthur Young), London
Ayre G. J. (Ernst & Whinney), Bristol

B

Bacon G. D. A. (Stoy Hayward), London
Bailey N. C. (Arthur Andersen & Co), London
Bailey S. I. (Ernst & Whinney), Leeds
Bain A. (Binder Hamlyn), Manchester
Bainbridge J. R. (Grant Thornton), Liverpool
Bainbridge R. A. (Peat Marwick McLintock), London
Baker D. R. (Fraser Keen), London
Baker E. J. C. (Binder Hamlyn), London
Baker J. A. (Coopers & Lybrand), Reading
Baker M. S. (Deloitte Haskins & Sells), Liverpool
Baker P. A. (Spicer and Pegler), Leeds
Baker W. E. (Arthur Andersen & Co), London
Baldwin N. R. (Deloitte Haskins & Sells), Nottingham
Ball A. J. (Arthur Andersen & Co), Bristol
Ball G. W. (Touche Ross & Co), London
Ball T. S. (Arthur Andersen & Co), London
Bambridge L. F. (Peat Marwick McLintock), London
Bamford R. J. (Peat Marwick McLintock), London
Bancroft D. G. (Clark Whitehill), London
Banday A. S. (M.B. Reveres & Co), Harrow, Middx
Barber S. J. (Grant Thornton), Reading
Barker P. D. (Coopers & Lybrand), Leeds
Barlow N. J. (Deloitte, Haskins & Sells), Reading
Barnes S. (Chalmers & Co), Yeovil, Somerset
Barrows C. W. (Price Waterhouse), Windsor, Berks
Bascombe I. C. (J. & A.W. Sully & Co), Bristol
Bashford H. J. (KMG Thomson McLintock), Birmingham
Baston T. J. S. (Barter, Durgan & Muir), Petersfield, Hants
Bath S. A. G. (Coopers & Lybrand), London
Batty L. J. (Stoy Hayward), London
Bayat Mokhtari M. (Moore Stephens), London
Bayne T. J. (Price Waterhouse), London
Beardsworth A. W. (Touche Ross & Co.), Manchester
Beardsworth J. D. (Touche Ross & Co), London
Beasant J. J. (Monahans), Swindon
Beaumont S. (Deloitte Haskins & Sells), Manchester
Beck J. M. (Hillier Hopkins), Hemel Hempstead, Herts
Beck R. C. (Dearden Farrow), London
Bedford N. J. (Coopers & Lybrand), Sheffield
Bedford V. Y. (Peat Marwick McLintock), Sheffield
Beecheno L. M. A. (KMG Thomson McLintock), London
Belcher R. A. (C.L. Dain & Co), Lichfield, Staffs
Belfrage J. H. (Arthur Young), London
Bell A. R. (Clark Whitehill), Reading
Bellwood S. M. (Arthur Young), Bradford, W.Yorkshire
Bennett A. N. (Peat Marwick McLintock), London
Bennett C. S. (Clement Keys & Co), West Bromwich, W. Midlands
Bennett D. A. (Dearden Farrow), Manchester
Bennewith N. (Hillier Hopkins), Watford
Bentley A. R. (Arthur Andersen & Co), Manchester
Bernstein M. S. (Harold Everett Wreford), London
Berry S. A. (Ernst & Whinney), London
Bertorelli C. A. (Comins & Co), London
Besant M. C. (Ernst & Whinney), Birmingham
Best F. P. (Grant Thornton), Bedford
Best I. (Arthur Andersen & Co), Birmingham
Bevan K. A. (Coopers & Lybrand), Manchester
Bhote S. H. (Spicer and Pegler), London
Biggs G. A. (Spicer and Pegler), London
Bill S. N. (Moore Stephens), London
Bisland A. S. (Touche Ross & Co), London
Binder D. J. (Touche Ross & Co), London
Binner S. (Longcrofts), Sutton, Surrey
Binyon J. E. C. (KMG Thomson McLintock), London
Birch M. L. (Price Waterhouse), London
Bird A. (Elliott, Templeton Sankey), Manchester
Bird P. T. (KMG Thomson McLintock), London
Birkett T. L. (Deloitte Haskins & Sells), Manchester
Birks N. F. (Newland,Mallett,Garner,Woodbury & Co), Bristol
Bishop E. (Arthur Young), London
Blair D. M. (Price Waterhouse), Manchester
Blears A. E. (Binder Hamlyn), Manchester
Blellock I. J. S. (Spicer and Pegler), London
Bloomfield J. D. (Nevill, Hovey & Co), Launceston, Cornwall
Bloomfield T. J. (Ernst & Whinney), London
Blundell P. R. (Coopers & Lybrand), London
Blyth C. R. (Ernst & Whinney), Hull
Boagey G. R. (KMG Thomson McLintock), Newcastle upon Tyne
Boardman R. (Dearden Farrow), London
Boddy D. J. (Haines Watts), Reading
Boddye R. C. T. (Clark Whitehill), London
Bolton E. A. (Spicer and Pegler), London
Bolton J. J. (Price Waterhouse), London
Bonney S. P. (Peat Marwick McLintock), London
Bonser S. M. (Binder Hamlyn), Croydon
Boon J. D. (Arthur Andersen & Co), Manchester
Booth T. D. (Clark Whitehill), London
Bosman L. J. (Ball Baker Leake), London
Bosson P. F. (Price Waterhouse), London
Bonyer M. (Pannell Kerr Forster), London
Bottomley G. I. (Coopers & Lybrand), Middlesbrough, Cleveland
Bourke S. J. (Coopers & Lybrand), London
Bowater P. K. (Arthur Young), London
Bowen B. C. (Touche Ross & Co), London
Bowen D. I. (Touche Ross & Co), London
Bowker D. G. (Peat, Marwick, Mitchell & Co), Milton Keynes
Bowley L. (Coopers & Lybrand), London
Bowyer S. M. (Price Waterhouse), Windsor, Berks
Boyd A. M. (Spicer and Pegler), Southampton
Boyd R. W. (Arthur Andersen & Co), London
Boyes C. (KMG Thomson McLintock), Leeds
Brabbs S. J. (Coopers & Lybrand), Manchester
Bradford N. A. (Peat Marwick McLintock), Exeter
Brady T. G. (Ernst & Whinney), Bristol
Bray A. P. (Hale & Company), Maidenhead, Berks
Brazier S. H. (Ernst & Whinney), London
Breeze S. D. (Coopers & Lybrand), Norwich
Breuer M. A. (Arthur Andersen & Co), London
Brewer C. L. (Robt. A. Page & Co), Nottingham
Brewer J. R. (Kershen, Fairfax & Co), London
Brewin D. R. (Coopers & Lybrand), London
Bridge E. T. A. (Ernst & Whinney), London
Brill H. M. (Peat Marwick McLintock), London
Briski A. M. (Coopers & Lybrand), London
Bristow A. (Grant Thornton), London
Brockington M. J. (Ernst & Whinney), Birmingham
Brook P. R. (Watson, Wood & Co), Bradford, W.Yorkshire
Brook S. (Coopers & Lybrand), Leeds
Brookes R. A. (Grant Thornton), Ipswich
Brough C. W. (Touche Ross & Co), London
Brown C. R. (Peat, Marwick, Mitchell & Co), Bristol
Brown C. A. (Lanham & Francis), Yeovil, Somerset
Brown D. (Clark Whitehill), London
Brown L. (Pannell Kerr Forster), Manchester
Brown P. A. (Deloitte Haskins & Sells), Newcastle upon Tyne
Brown S. D. (Deloitte Haskins & Sells), London
Brown S. A. (Spicer and Pegler), London
Browne K. P. (Price Waterhouse), Cardiff
Browse M. R. (Grant Thornton), Oxford
Bruce-Morgan C. O. L. (Arthur Andersen & Co), London
Bruton J. P. (Peat Marwick McLintock), London
Buckley C. A. (Peat Marwick McLintock), Birmingham
Bull A. C. (Coopers & Lybrand), London
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Bullivant E. (Peat Marwick McLintock), London
Bullock S. M. (Binder Hamlyn), London
Bunker P. M. (Price Waterhouse), London
Bunn S. (Binder Hamlyn), Birmingham
Burd L. (F.L. Rouse & Co), Beaconsfield, Bucks
Burgess I. J. (Arthur Andersen & Co), London
Burgess M. F. (Ernst & Whinney), London
Burks N. R. (Moore & Smalley), Preston
Burley J. E. (Ernst & Whinney), Sheffield
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Burnley I. D. (Coopers & Lybrand), London
Burns E. (Coopers & Lybrand), London
Burns T. A. (Grant Thornton), Manchester
Burton S. J. (Price Waterhouse), London
Bush A. M. (Arthur Young), London
Bush C. J. (Hereward Scott Davies), London
Bushby J. (Price Waterhouse), London
Butcher J. A. (Price Waterhouse), London
Butler A. J. F. (John A. Tuffin & Co), Brighton, E.Sussex
Butler M. (Wilkins, Kennedy & Co), London
Butters R. A. (Saffery Champness), London
Byrne A. J. (Orr, Shotliff), London

C

Cable C. H. (Watling & Hirst), Chichester, W.Sussex
Cadoux-Hudson H. A. E. (Peat Marwick Mitchell & Co), Brighton, E.Sussex
Cahill M. J. C. (Arthur Young), London
Cain J. (A.E. Limehouse & Co), Rugby, Warwickshire
Cale S. L. (Peat Marwick McLintock), London
Cameron M. R. (Peat, Marwick, Mitchell & Co), Maidstone, Kent
Campbell J. N. R. (Price Waterhouse), Birmingham
Cannan J. M. (Deloitte Haskins & Sells), London
Cardew-Hall D. (Peat Marwick McLintock), Nottingham
Carlson M. A. (Touche Ross & Co), London
Caroe M. F. (Deloitte Haskins & Sells), London
Carr N. E. (Hilton, Sharp & Clarke), Brighton, E.Sussex
Carrick J. (Grant Thornton), Newcastle upon Tyne
Casey L. A. (Coopers & Lybrand), London
Cassidy C. L. (Binder Hamlyn), Bath
Cattaneo C. E. (Ernst & Whinney), Birmingham
Challinor D. J. (Peat Marwick McLintock), Stoke-on-Trent
Chalmer J. R. (Price Waterhouse), London
Chambers C. J. (Deloitte Haskins & Sells), Liverpool
Chambers G. P. (Harper Broom Roberts), London
Champion K. J. (Price Waterhouse), London
Chan D. W. Y. (Pridie Brewster), London
Chan F. S. C. (Myers, Davies & Co), London
Chaplin D. J. (Binder Hamlyn), Croydon
Charlton J. B. (Peat Marwick McLintock), Darlington, Co. Durham
Chasemore C. J. (Sylvester Groves & Co.), Bath
Chasemore D. L. (T.O.Sylvester), Bath
Chauhan R. (Touche Ross & Co.), Birmingham
Cheeseman J. (Armitage & Norton), Blackpool
Cheng A. C. L. (Price Waterhouse), London
Cheng A. K. (Touche Ross & Co), London
Cheng C. F. (Peat Marwick McLintock), Milton Keynes
Cheng E. Y. (Coopers & Lybrand), Uxbridge, Middx
Cheng W. C. M. (Keyse, Poulter, Partners & Co), London
Cheong K. H. (Gordon (John), Walton & Co), Leeds
Chew F. A. (Ernst & Whinney), London
Childs D. A. (KMG Thomson McLintock), London
Chin S. K. (Peat Marwick McLintock), Birmingham
Choong S. W. (Barker, Hibbert & Co), London
Christodoulou N. J. (Arthur Andersen & Co), London
Clark D. M. (Peat Marwick McLintock), Birmingham
Clark H. M. (Arthur Andersen & Co), Birmingham
Clarke A. (Peat Marwick McLintock), London
Clay M. R. D. (Kingston Smith), London
Clay N. C. C. (Deloitte Haskins & Sells), London
Clayson S. R. (Ernst & Whinney), London
Clayworth G. C. (Stoy Hayward), London
Cleary D. J. (Peat Marwick McLintock), Basingstoke, Hants
Clement R. M. (Coopers & Lybrand), Cardiff
Clements M. J. (Spicer and Pegler), Manchester
Clements N. W. S. (Casson Beckman), London
Clews H. D. (Price Waterhouse), Southampton
Clews S. J. (Deloitte Haskins & Sells), London
Clipsham G. J. (Ernst & Whinney), London
Clitherow A. (Peat Marwick McLintock), Manchester
Cloke A. M. (Acklands), Bristol
Clough S. A. (Arthur Andersen & Co), Birmingham
Cobbold T. R. (Price Waterhouse), London
Cocks D. (Coopers & Lybrand), London
Cocks J. M. (Peat, Marwick, Mitchell & Co), Norwich
Cody P. F. (Deloitte Haskins & Sells), London
Cole A. S. (Ernst & Whinney), London
Cole D. D. (Deloitte Haskins & Sells), London
Cole J. A. (Arthur Goddard & Co), London
Coleman G. B. (Deloitte Haskins & Sells), Southampton
Coller N. J. (Peat Marwick McLintock), Birmingham
Colley P. C. (Grant Thornton), Bradford, W.Yorkshire
Collier D. M. (Pannell Kerr Forster), Douglas, Isle of Man
Collier R. S. (Deloitte Haskins & Sells), London
Colling M. L. (Crossley & Davis), Chorley, Lancs
Collins P. M. (Price Waterhouse), Leicester
Collins F. R. (Stoy Hayward), London
Collins H. F. (Saffery Champness), London
Collister A. (Halpern and Woolf), Oxford
Collister C. K. K. (Clark Whitehill), London
Compton A. J. (Touche Ross & Co), London
Compton M. A. (Peat Marwick McLintock), Leicester
Connors M. P. (Slater, Chapman & Cooke), London
Conroy P. M. (Robson Rhodes), Manchester
Constantinides M. (Ernst & Whinney), Manchester
Conybeare-Cross J. T. (Ball Baker Leake), London
Cook M. (Weller, Messenger & Kirkman), Oxford
Cook W. R. (Price Waterhouse), Liverpool
Coombes D. J. (Deloitte Haskins & Sells), Manchester
Coombey I. D. A. (Deloitte Haskins & Sells), London
Cooper J. W. (Coopers & Lybrand), Norwich
Cooper M. A. (Deloitte Haskins & Sells), London
Cooper T. K. G. (Peat Marwick McLintock), London
Copley N. B. (Price Waterhouse), Nottingham
Copping A. C. (Harold Sharp Son & Gresty), Sale, Cheshire
Copsey D. R. (Beeton, Snelling & Co), Felixstowe, Suffolk
Corbett J. J. M. (Touche Ross & Co.), Bristol
Core R. W. (Ernst & Whinney), London
Corless S. D. (Coopers & Lybrand), Uxbridge, Middx
Corner S. A. (Gerald Edelman), London
Cornes D. R. H. (Coopers & Lybrand), London
Couee S. K. (Ernst & Whinney), London
Cotton A. (Arthur Young), London
Cotton C. H. (Peat Marwick McLintock), London
Couzens B. J. (Hope Agar), London
Cowdy P. E. M. (Whittingham, Riddell & Co), Shrewsbury
Cowgill M. J. C. (Price Waterhouse), London
Cox E. M. (Grant Thornton), Oxford
Cracknell S. J. (Harold Everett, Wand & Co), Southend-on-Sea
Cragg I. G. (Peat, Marwick, Mitchell & Co), Leicester
Cragg P. R. (Coopers & Lybrand), London
Cramer D. M. (Stoy Hayward), London
Crane G. L. (Price Waterhouse), Windsor, Berks
Crawford A. P. (Peat Marwick McLintock), Nottingham
Crisp T. G. (Giess, Osbourn & Partners), Harlow, Essex
Critchley A. M. (Neville Russell), London
Critchley D. J. (Touche Ross & Co.), Liverpool
Crocker A. R. (Brooking, Knowles & Lawrence), Basingstoke, Hants
Crookenden J. N. A. (Peat Marwick McLintock), London
Crookes A. D. (Binder Hamlyn), Birmingham
Cross C. P. (Bullimores), Redhill
Crossley N. (Hodgson Impey), Hull
Crowther R. A. (Peat Marwick McLintock), Preston
Crozier M. S. (Landin Wilcock & Co), Sheffield
Cummins S. V. (Price Waterhouse), Leicester
Curran E. A. (Ernst & Whinney), London
Currie M. A. (Peat Marwick McLintock), London
Curtis J. N. B. (Price Waterhouse), London
Cusk A. N. J. (Andrew Moore & Co), Sudbury, Suffolk
Cuthbert R. (Finlay Robertson), Esher, Surrey

D

Daboo J. (Peat Marwick McLintock), London
Dahan R. (Deloitte Haskins & Sells), London
Dainton C. (Robson Rhodes), Manchester
Dalton W. J. H. (Kingston Smith), London
Damani P. A. (Bird Luckin & Sheldrake), London
Danby S. P. (Neville Russell), Birmingham
Dance A. K. (Spicer and Pegler), Croydon
Dando N. A. (Newsham, Hanson & Company), Clevedon, Avon
Daniel H. J. (Ball Baker Leake), London
Darkin P. E. (Peat Marwick McLintock), London
Darley W. W. (Arthur Andersen & Co), London
Darvall R. J. (Peat Marwick McLintock), London
Davidson C. M. (Price Waterhouse), London
Davidson R. (Price Waterhouse), London
Davies A. (Touche Ross & Co.), Manchester
Davies G. J. G. (Keen, Dicey, Grover & Co.), Iver, Bucks
Davies H. Y. (Peat Marwick McLintock), Cardiff
Davies M. R. (Greenhalgh & Co), Burton-on-Trent, Staffs
Davies N. P. (Peat Marwick McLintock), Cardiff
Davies R. J. (Deloitte Haskins & Sells), Birmingham
Davies S. (Peat Marwick McLintock), London
Davis B. S. (Arthur Andersen & Co), Manchester
Davis C. P. (Spicer and Pegler), Manchester
Davis I. F. (Baverstock Pollock & Co), Dunmow, Essex
Davis T. R. (Arthur Andersen & Co), Reading
Dawe J. L. (Deloitte Haskins & Sells), Cambridge
Dawson A. J. (Price Waterhouse), Newcastle upon Tyne
Dawson I. N. (Deloitte Haskins & Sells), Liverpool
Day A. A. D. (Hays Allan), London
Deakin M. J. (Johnson Tidsall & Co), Derby
Dean M. J. (Coopers & Lybrand), London
Dean S. N. (Peat Marwick McLintock), London
Dean T. J. (Price Waterhouse), London
Dearsley H. V. (Price Waterhouse), Newcastle upon Tyne
Deary M. D. (Peat Marwick McLintock), Liverpool
Delacave B. D. G. (Ernst & Whinney), London
De Luc A. L. (Weller, Messenger & Kirkman), Oxford
Demetriades A. (Peat Marwick McLintock), London
Denley D. L. (Arthur Young & Company), Cardiff
Dennis A. C. P. (KMG Thomson McLintock), London
Dent I. (Pannell Kerr Forster), Leeds
Desai P. (Smallfield, Rawlins), London
Dewhirst C. (Touche Ross & Co.), Leeds
Dewhurst D. M. (Peat Marwick McLintock), London
Diaper C. A. (Peat Marwick McLintock), Poole, Dorset
Dickinson S. J. (Chantrey Wood King), London
Dickson D. M. (Rothman Pantall & Co.), Winchester, Hants
Dillon-Robinson P. M. (Deloitte Haskins & Sells), London
Dines C. J. (Coopers & Lybrand), London
Dix B. J. (James & Cowper), Newbury, Berks
Dixon A. P. (Bedell & Blair), Manchester
Dobbie C. M. (Deloitte Haskins & Sells), London
Dolan K. T. P. (Attlee, Edge & Lambert), Birmingham
Dolman D. J. (Peat Marwick McLintock), Birmingham
Dolman G. K. (Deloitte Haskins & Sells), London
Drake D. A. (Spicer and Pegler), Cambridge
Drew D. R. (Deloitte Haskins & Sells), London
Driver F. L. (Peat Marwick McLintock), London
Drury R. A. (Peat Marwick McLintock), Newcastle upon Tyne
Dsouza C. A. (Deloitte Haskins & Sells), Liverpool
Ducker A. J. (Peat Marwick McLintock), Birmingham
Duckworth A. H. (Deloitte Haskins & Sells), London
Duggal S. (Bright Grahame Murray), London
Dumbell E. R. (Peat Marwick McLintock), London
Duncan J. R. (Deloitte Haskins & Sells), Nottingham
Dunn P. L. (Ernst & Whinney), London
Dunning J. A. (Touche Ross & Co), London
Dwane N. P. (Binder Hamlyn), London
Dyson P. M. (Casson Beckman), London

E

Eagland P. M. (Helmore, Helmore & Co), London
Earl R. J. (Peat Marwick McLintock), Plymouth
Eastaugh G. E. (Price Waterhouse), London
Eastham K. W. (Touche Ross & Co.), Manchester
Eccles T. D. (Peat Marwick McLintock), Leicester
Eccleshall J. E. (Price Waterhouse), London
Eddy J. F. (Touche Ross & Co.), Newport, Gwent
Edgar D. J. (Price Waterhouse), London
Edhouse B. J. (Hill Vellacott), London
Edwards J. W. (Binder Hamlyn), Warwick
Edwards S. (Grant Thornton), Leicester
Ellacott J. L. (Peat Marwick McLintock), London
Elliott G. N. (Price Waterhouse), London
Elliott N. (Ernst & Whinney), London
Elliott P. N. (Arthur Young), London
Ellis M. S. (Moores & Rowland), London
Ellwood J. (Arthur Young), Luton
Elms J. S. (Price Waterhouse), London
Emary S. P. (Grant Thornton), Oxford
Embury H. J. (Peat Marwick McLintock), London
Emery S. D. J. (Peat Marwick McLintock), London
Emsden L. E. N. (Price Waterhouse), London
England D. M. (Coopers & Lybrand), London
Errington M. (Kevan Pilling & Co), Bolton
Evagora E. (Wilder Coe), London
Evans A. O. (Peat Marwick McLintock), Manchester
Evans L. T. (S.W.Frankson & Co), Hayes, Middx
Evans R. D. (Barnes Roffe), London
Everall A. M. (Westbury, Schotness & Co.), London
Everest C. M. L. (Deloitte Haskins & Sells), London
Evington M. I. (Lowndes McLintock), Chester
Extance P. A. (Peat Marwick McLintock), Birmingham

F

Fagg J. E. (Ernst & Whinney), London
Fail N. J. (Armitage & Norton), Preston
Falconer S. J. (Touche Ross & Co.), Birmingham
Farley D. A. (Peat, Marwick, Mitchell & Co), Bristol
Farokh F. (Reeves & Neylan), Sittingbourne, Kent
Farrar M. J. (Deloitte Haskins & Sells), Southampton
Farrow B. (Deloitte Haskins & Sells), Liverpool
Fawls J. P. (Sheen Stickland), Farnham, Surrey
Feather A. J. (Grant Thornton), Petersfield, Hants
Feetham A. G. (Ernst & Whinney), Leicester
Fenwick S. T. (Deloitte Haskins & Sells), London
Fernandes J. A. I. (Howard, Tilly & Co.), London
Fernyhough N. F. (Armitage & Norton), London
Fiddler D. P. (Coopers & Lybrand), Sheffield
Field C. P. (Robson, Laidler & Co), Newcastle upon Tyne
Fifield R. M. (Chapman & Partners), London
Finch J. E. (Peat Marwick McLintock), London
Finch R. P. (Deloitte Haskins & Sells), London
Findlay C. (Arthur Young), London
Firth A. J. (Robson Rhodes), London
Fisher S. J. (Deloitte Haskins & Sells), London
Fitch S. G. (Arthur Young), Southampton
Flanagan J. P. (Peat Marwick McLintock), Cardiff
Flanagan N. G. (Coopers & Lybrand), London
Flanagan S. D. (Price Waterhouse), London
Fleming P. (Kidsons), Hull
Flynn A. J. (Hodgson Impey), Liverpool
Flynn R. P. (Arthur Andersen & Co), London
Fonseka M. A. (Roffe, Swayne & Co), Haslemere, Surrey
Foo C. L. F. (Price Waterhouse), Southampton
Ford K. V. (KMG Thomson McLintock), London
Forrest P. A. (Porter, Matthews & Marsden), Blackburn
Forrester D. L. (Shipley Blackburn), London
Forskitt M. A. (Peters, Elworthy & Moore), Cambridge
Foskett J. R. (Cansdale & Co), Chesham, Bucks
Foster S. E. (Price Waterhouse), London
Foyle A. L. (Price Waterhouse), London
Frain L. M. (Neville Russell), Stockport, Cheshire
Francis A. S. (Buzzacott & Co), London
Freakley S. V. (Arthur Andersen & Co), Manchester
Freeman J. A. (Coopers & Lybrand), Bristol
Frey M. R. (Finnies & Co.), London
Frost M. J. (Peat Marwick McLintock), London
Frostick R. J. (Larking Gowen), Norwich
Froud N. E. (Peat Marwick McLintock), Southampton
Fuller T. N. (Ernst & Whinney), Southampton
Fulton I. R. G. (Moores & Rowland), London

G

Gabb L. I. (Peat Marwick McLintock), London
Gabriel D. L. (Clements, Hakim & Co), Epsom, Surrey
Gager D. J. (Stoy Hayward), London
Gair D. R. (John Mitchell & Co), Newcastle upon Tyne
Gamble J. A. (Ernst & Whinney), Luton
Gangar S. S. (Pannell Kerr Forster), Leicester
Gardiner R. G. (Price Waterhouse), London
Gardner A. S. (Armitage & Norton), London
Garforth A. D. (Arthur Young), Liverpool
Garlick D. J. (C. Connelly & Co.), Huddersfield
Garrett M. G. (Cooper Basden & Adamson), Manchester
Garvey D. M. (KMG Thomson McLintock), Manchester
Garwood C. P. (Arthur Andersen & Co), Bristol
Gascoigne G. S. (Touche Ross & Co), London
Gatehouse C. M. (Peat Marwick McLintock), Cardiff
Gatehouse P. J. (Kingston Smith), St. Albans, Herts
Gearty A. J. (Peat Marwick McLintock), London
Gemson M. P. D. (Hacker Young), London
Georgiou T. N. (Touche Ross & Co.), Manchester
Gethings M. T. (Touche Ross & Co.), Bristol
Ghatauray S. S. (Myrus Smith & Co.), Sutton, Surrey
Gibson J. E. (Arthur Andersen & Co), London
Giddins S. W. (Coopers & Lybrand), Maidstone, Kent
Gilbert G. R. F. (Whitley, Stimpson & Partners), Banbury, Oxon
Gilbert P. J. T. (Arthur Andersen & Co), London
Gill C. J. (Ernst & Whinney), Newcastle upon Tyne
Gillanders D. E. (Grant Thornton), Leicester
Gilmour L. (Littlejohn Frazer), London
Gilmour P. M. (Grant Thornton), Brighton, E.Sussex
Glennon A. P. (Deloitte Haskins & Sells), Leeds
Glithero C. E. (Clement Keys & Co), Birmingham
Globe J. A. (Spicer and Pegler), Nottingham
Glover M. P. (Whitehead & Aldrich), Preston
Glyn M. A. (Arthur Andersen & Co), London
Goddard R. A. (Ernst & Whinney), London
Godfrey D. (Coopers & Lybrand), London
Good J. W. (Stanley Holmes & Co), London
Goodfellow D. (Coopers & Lybrand), King's Lynn, Norfolk
Goodridge R. D. (Peat, Marwick, Mitchell & Co), Milton Keynes
Goodwin N. D. (Stoy Hayward), London
Gordon A. N. C. (Meeson, Makinson), Richmond, Surrey
Gosling K. J. (Coopers & Lybrand), Uxbridge, Middx
Gotham D. L. R. (Touche Ross & Co), London
Gough P. W. (Arthur Young), London
Gough R. E. C. (Price Waterhouse), London
Gould M. P. (Solomon Hare & Co), Bristol
Goulston S. (Grant Thornton), Bournemouth, Dorset
Gowing R. J. (Ernst & Whinney), London
Gowling K. (Arthur Young), London
Grace A. C. (Coopers & Lybrand), London
Grady G. A. (Longcrofts), London
Graham A. (Ernst & Whinney), London
Graham A. L. H. (Neville Russell), London
Graham R. M. (King, Hope & Co), Northallerton, N.Yorkshire
Granatt R. G. (Kidsons), London
Grassick A. C. (Touche Ross & Co), London
Grasske P. M. (Grant Thornton), Portsmouth
Gratton P. W. R. (Touche Ross & Co), London
Greaves I. G. (KMG Thomson McLintock), Birmingham
Greaves M. J. (Coopers & Lybrand), London
Green C. R. (Robson Rhodes), Birmingham
Green D. M. (Gowers), Watford
Green H. G. D. (Peat Marwick McLintock), London
Green R. A. (Peat Marwick McLintock), Birmingham
Green S. C. (Binder Hamlyn), Bury St.Edmunds, Suffolk
Greenhalgh B. J. (KMG Thomson McLintock), London
Gregory M. J. (Price Waterhouse), London
Gregory M. P. (Knox Cropper), London
Gregory R. G. (Peat Marwick McLintock), London
Greig J. E. (Price Waterhouse), London
Grennall D. J. (Grant Thornton), Birmingham
Grice C. (Kidsons), Wirral, Merseyside
Grice R. A. (Coopers & Lybrand), Birmingham
Griffin D. A. (Barron & Barron), York
Griggs R. V. (Seymour, Taylor & Co), High Wycombe, Bucks
Groom S. J. (Arthur Young), Luton
Grylls P. (Jewitt, Sparrow & Swinbank), Stockton-on-Tees
Guilfoyle P. S. J. (Deloitte Haskins & Sells), London
Guinness K. M. (Saffery Champness), London
Gull S. V. (Grant Thornton), Ipswich
Gulland S. J. S. (Deloitte Haskins & Sells), London
Gulliver J. R. (Ernst & Whinney), London
Guly D. P. (Price Waterhouse), Windsor, Berks
Guyler H. W. J. (Touche Ross & Co), London

H

Hagger J. (Peat Marwick McLintock), London
Hagyard M. P. (Hodgson Impey), Hull
Haider G. R. (Hugill & Co), London
Hale R. G. (Price Waterhouse), Cardiff
Hales K. (Peat Marwick McLintock), Bristol
Halim I. A. (Peat Marwick McLintock), London
Halliday J. F. (Barber, Harrison & Platt), Sheffield
Halliday S. J. R. (Price Waterhouse), London
Halsey M. F. (Peat, Marwick, Mitchell & Co), Maidstone, Kent
Ham R. D. (Binder Hamlyn), London
Hamid M. T. (Arthur Young), Birmingham
Hamill C. S. (Deloitte Haskins & Sells), London
Hamilton A. J. (KMG Thomson McLintock), London
Hamilton K. A. (Deloitte, Haskins & Sells), Reading
Hammerton R. W. (Coopers & Lybrand), Sheffield
Hammond K. R. (Whittaker & Co), Luton
Handley S. (Hamiltons), London
Handscomb G. D. (Ernst & Whinney), Hull
Hankins H. P. (Yaxley, Davies & Co), Shrewsbury
Hannan A. M. (Heywood Shepherd), Manchester
Haq V. U. (Levy Gee), London
Hardie M. A. (Ashdens), London
Harding P. D. (Stoy Hayward), London
Hardy S. N. (Peat Marwick McLintock), London
Harland R. A. (Coopers & Lybrand), Reading
Harper C. J. (Arthur Andersen & Co), Manchester
Harris B. A. (Touche Ross & Co.), Bristol
Harris C. E. (Touche Ross & Co), London
Harris N. B. (KMG Thomson McLintock), Birmingham
Harris P. J. (Spicer and Pegler), London
Harris P. D. (Arthur Young), London
Harris P. J. (Price Waterhouse), London
Harris R. J. L. (Deloitte Haskins & Sells), London
Harris S. C. (Deloitte Haskins & Sells), London
Harrison P. M. (Sheen Stickland), Farnham, Surrey
Harrold T. (Ernst & Whinney), Reading
Harrop S. L. (Hodgson Impey), Hull
Harry M. A. (Deloitte Haskins & Sells), Cardiff
Hartley J. (Price Waterhouse), Leeds
Hartley N. J. (KMG Thomson McLintock), London
Harvey J. S. (KMG Thomson McLintock), Manchester
Harwood K. S. (Arthur Young), Nottingham
Haslam P. G. (Deloitte Haskins & Sells), Birmingham
Haslehurst M. R. (Coopers & Lybrand), Birmingham
Hatcher P. D. (Price Waterhouse), Birmingham
Hatton M. A. B. (Arthur Young), Newcastle upon Tyne
Hatzigiannis E. F. S. S. (Peat Marwick McLintock), London
Haw C. J. (Price Waterhouse), London
Hay H. D. (Touche Ross & Co), London
Hayley A. W. (Coopers & Lybrand), London
Haynes N. A. (Ernst & Whinney), Birmingham
Hayon L. (Finlay Robertson), Esher, Surrey
Hayward J. M. (Touche Ross & Co), London
Hayward N. C. E. (Grant Thornton), Brighton, E.Sussex
Hayward R. J. (Spicer and Pegler), London
Head M. J. (Deloitte Haskins & Sells), Southampton
Heald C. A. (Grant Thornton), Sheffield
Heap J. W. (Coopers & Lybrand), London
Heaton C. L. (Coopers & Lybrand), Nottingham
Hedges P. J. (Pannell Kerr Forster), Worcester
Hedley D. J. (Ernst & Whinney), Luton
Heffron M. J. (Deloitte Haskins & Sells), Nottingham
Helm A. (Peat Marwick McLintock), London
Hemingway C. R. (Royce, Peeling, Green & Co), Manchester
Heppenstall R. E. (Ernst & Whinney), Leeds
Herelle P. (Leigh Carr), London
Herring J. L. (Touche Ross & Co), Dartford
Hensch R. L. (Binder Hamlyn), London
Hick I. R. (Ernst & Whinney), London
Hickey D. J. (Littlejohn de Paula), London
Hiddleston K. V. (Grant Thornton), Northampton
Higgins A. C. (Price Waterhouse), London
Higgins S. P. J. (Milne Ross), London
Highton C. J. (Touche Ross & Co.), Aberdeen
Hill G. A. (Grant Thornton), Bournemouth, Dorset
Hill J. G. (Arthur Young), Liverpool
Hill P. J. (Pannell Kerr Forster), Sheffield
Hill S. E. (Peat Marwick McLintock), London
Hills C. C. (F. Geen & Co), Stoke-on-Trent
Hills J. (KMG Thomson McLintock), Newcastle upon Tyne
Hillyer R. K. (Touche Ross & Co), London
Hilton K. R. (McEwan, Wallace, Howell & Co), Birkenhead, Merseyside
Hinckley I. M. (Richardson Dawson Husband), Marlow, Bucks
Hladnik T. C. (Peat Marwick McLintock), Cardiff
Ho A. H. (Bryden, Johnson & Co), Croydon
Ho T. T. (Grant Thornton), Nottingham
Hobson A. J. (Spicer and Pegler), London
Hodges B. M. (Coopers & Lybrand), Manchester
Hodges C. J. (Price Waterhouse), Leicester
Hodgkinson F. (Deloitte Haskins & Sells), Southampton
Hogsden A. P. (Price Waterhouse), London
Holden P. J. E. (Price Waterhouse), London
Holland G. (Menzies), Kingston-upon-Thames, Surrey
Holland T. M. (Price Waterhouse), London
Hollingworth G. E. M. (Price Waterhouse), Birmingham
Holmes K. J. (Bishop Fleming), Plymouth
Holmes P. D. S. (Price Waterhouse), Nottingham
Hooper M. C. (Cooper Lancaster), London
Hooper R. P. (Deloitte Haskins & Sells), London
Hopcroft J. M. (Peat-Marwick McLintock), London
Hopkins N. (Peat Marwick McLintock), Preston
Horner R. H. M. (Peat Marwick McLintock), London
Horsburgh D. J. (Coopers & Lybrand), Birmingham
Horsman N. R. (Grant Thornton), Bradford, W.Yorkshire
Horton D. A. (Coopers & Lybrand), London
Hoskins T. E. (Ernst & Whinney), London
Hough D. A. (Deloitte Haskins & Sells), London
Houghton I. (Binder Hamlyn), Manchester
Hoult C. (Deloitte Haskins & Sells), London
Howard C. M. P. (Peat Marwick McLintock), London
Howard K. A. (Peat Marwick Mitchell & Co), Ipswich
Howe R. J. (Morgan, Brown & Haynes), London
Howell P. J. (Buzzacott & Co), London
Howell P. A. (Coopers & Lybrand), Cardiff
Howkins T. A. (Arthur Young), London
Howl O. J. D. (Coopers & Lybrand), Birmingham
Howton N. P. (Pridie Brewster), London
Hoyle L. (Touche Ross & Co), London
Hoyle S. E. (Grant Thornton), Bradford, W.Yorkshire
Hubbard S. E. (Price Waterhouse), London
Hudson D. (Pannell Kerr Forster), Derby
Hudson I. J. (Deloitte Haskins & Sells), London
Hughes B. A. (Barlow Andrews), Manchester
Hughes D. J. (Ernst & Whinney), Birmingham
Hughes M. D. (Watson, Bradshaw & Co), Eastbourne, E.Sussex
Hughes M. J. (Ernst & Whinney), Luton
Hughes M. L. (Peat Marwick McLintock), Leicester
Hughes N. A. (Duncan Sheard Glass & Co), Liverpool
Hughes P. D. J. (Peat Marwick McLintock), London
Hughes T. R. (Arthur Andersen & Co), London
Hughes-Hallett D. I. (Price Waterhouse), London
Humfryes P. S. J. (Deloitte Haskins & Sells), London
Humphreys A. M. (Coopers & Lybrand), Sheffield
Hung A. G. (Keelings), London
Hunt J. S. (Arthur Young), Birmingham
Hunt S. R. (Deloitte Haskins & Sells), London
Hunter C. A. (Peat Marwick McLintock), Birmingham
Hunter E. S. (Touche Ross & Co), London
Hunter S. A. (Coopers & Lybrand), Middlesbrough, Cleveland
Huntingford M. D. L. (Armitage & Norton), London
Hurst S. M. (Binder Hamlyn), Norwich
Hussain T. (Arthur Andersen & Co), London
Hutchison E. (Deloitte Haskins & Sells), London
Hyde R. O. H. (Price Waterhouse), London

I

Ibrahim K. (Hays Allan), London
Ilsley G. J. (Shipley Blackburn), London
Inglis R. J. G. (Bryden, Johnson & Co), Croydon
Ioannou G. (Benjamin, Kay & Brummer), Wembley, Middx
Iqbal T. (Anthony Murty & Co), London
Ireland H. (R. Gibbons & Co), Cockermouth, Cumbria
Ireland R. C. (Coopers & Lybrand), Uxbridge, Middx
Irons S. A. (Binder Hamlyn), Birmingham

J

Jackson A. P. (Haywood & Co.), Sheffield
Jackson I. C. (Arthur Young), London
Jackson M. (Cooper Basden & Adamson), Manchester
Jackson R. A. (Price Waterhouse), Birmingham
Jackson V. M. (Grant Thornton), Liverpool
James C. J. R. (Longcrofts), London
James M. D. (Touche Ross & Co), London
Janson E. V. (Holden, Harrison & Co), Manchester
Jeffrey J. (Ernst & Whinney), London
Jenkins A. D. (Armstrong & Co), Newcastle upon Tyne
Jenkins G. W. (Arthur Young), Liverpool
Jenkins R. H. (Price Waterhouse), Cardiff
Jenkins S. P. (Touche Ross & Co.), Cardiff
Jervis M. J. (Price Waterhouse), London
Jewson H. M. (Deloitte, Haskins & Sells), Reading
Jillings C. H. (Peat Marwick McLintock), London
Jinks P. J. (Menzies), Kingston-upon-Thames, Surrey
John A. M. (Arthur Young & Company), Cardiff
Johnson D. R. (Ernst & Whinney), Hull
Johnson E. G. (KMG Thomson McLintock), London
Johnson N. J. (Donald H. Bates & Co), Stoke-on-Trent
Johnson T. N. (Coopers & Lybrand), Blackburn
Jones A. W. (Spicer and Pegler), Nottingham
Jones A. D. W. (Payne & Co.), Swansea
Jones C. E. (Peat Marwick McLintock), London
Jones D. G. (Dearden Farrow), Croydon
Jones D. S. (Deloitte Haskins & Sells), Nottingham
Jones G. T. (Grant Thornton), Kettering, Northants
Jones I. P. (Hazlewood & Co), Cheltenham, Glos.
Jones J. R. (Edward Mitchell & Son), Chesterfield, Derbyshire
Jones J. D. (Knox Cropper), London
Jones K. B. (Clark Whitehill), London
Jones K. P. (Neville Russell), Birmingham
Jones L. F. (Peat Marwick McLintock), London
Jones M. (Peat Marwick McLintock), Swansea
Jones M. A. (Deloitte Haskins & Sells), Cardiff
Jones M. L. (Longcrofts), Sutton, Surrey
Jones R. D. (Touche Ross & Co), London
Jones S. J. (KMG Thomson McLintock), Leeds
Jorysz M. T. (Arthur Andersen & Co), Manchester
Joslin S. J. (Arthur Young), Reading
Jukes D. H. (Deloitte Haskins & Sells), London

K

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We are acting on behalf of a US investment bank who wishes to recruit a recently qualified ACA with significant experience of financial service audit clients.

The Financial Analyst will be responsible for forecasting and management reporting in connection with the bank's operational activities, developing budgets and assisting in the systems and automation development. This role involves close liaison with traders and operations both in London and New York.

The ideal candidate will therefore possess a sound knowledge of bank accounting systems and will have excellent communication skills.

Applicants should call Joe Reilly, Jon Michel or Philippa Dilley on 01-583 0073 (or 01-874 3891 outside office hours).

ACCOUNTANT

Central London — To £25,000

Our client, a multinational service group, wishes to strengthen their accounts function by recruiting a newly-qualified to carry out ad-hoc projects related to their financial and treasury accounting functions.

The position will involve close involvement in the development of computerised systems and the documentation of *existing systems and procedures. The role also provides general* support to the accounts function.

Applicants must have a wide exposure to computerised systems and ideally a a knowledge of Lotus 1-2-3. Aged between 24 and 28 candidates must be graduates and should have trained with a Big 8 practice. Some experience of ad-hoc exercises would be a distinct advantage and commercial acumen is essential.

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This post, with a vertically integrated multi-national PLC, is an ideal first move for a graduate newly-qualified. The successful applicant will be involved in Mergers and Acquisitions, Investigations, Long Term Strategic Planning and Economic Analysis.

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BUSINESS ANALYST

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Our client, a leading international investment bank, is currently looking to augment its Business Analysis team. The successful candidate will be a recently qualified ACA, aged 25-30, with a working *knowledge of Lotus 123 and, ideally, investment* banking experience. He or she will be involved in the analysis of treasury related business, the definition and analysis of profitability by market sector and assisting in risk management decision making.

Applicants with an outgoing but methodical personality should contact Joe Reilly, Philippa Dilley or Jon Michel on 01-583 0073 (or, outside office hours on 01-874 3891).

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Interested applicants should contact **Stephen Doyle ACA on 0753 856151** or write to him enclosing a comprehensive curriculum vitae at **Michael Page Partnership, Kingsbury House, 6 Sheet Street, Windsor SL4 1BG quoting ref: 984.**

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Ousey I. R. M. (Price Waterhouse), London
Ovenden K. F. (Price Waterhouse), London
Owen G. D. (Menzies), Walton-on-Thames, Surrey

P

Packford D. J. (Price Waterhouse), London
Padmanathan K. (Arthur Young), Bradford, W.Yorkshire
Padrini A. (Touche Ross & Co), London
Page H. C. A. (Arthur Young), London
Palleschi D. (W.T. Walton & Son), Hartlepool, Cleveland
Palmer I. R. (Stanley & Co), Birmingham
Pantling K. A. (Price Waterhouse), Birmingham
Papas P. (Coopers & Lybrand), London
Parker J. H. J. (Grant Thornton), London
Parker S. A. D. (Clark Whitehill), London
Parker S. (Coopers & Lybrand), Maidstone, Kent
Parker S. G. (Deloitte Haskins & Sells), Birmingham
Parker S. E. (Coopers & Lybrand), London
Parkyn J. M. (Price Waterhouse), London
Parmar R. S. (Nash Broad), London
Parr J. G. (Binder Hamlyn), Leeds
Parr R. C. (Grant Thornton), Wellingborough, Northants
Parsell A. C. (Arthur Young), London
Parsons A. R. (Ernst & Whinney), Sheffield
Partridge P. R. (Peat Marwick McLintock), London
Passey D. R. (Landau Morley), Wembley, Middx
Patel B. (Deloitte Haskins & Sells), Cheltenham, Glos.
Patel D. (Warner, Bearman), London
Patel R. (Baker Rooke), London
Patel S. V. (Peat Marwick McLintock), London
Paterson G. J. (Stoy Hayward), London
Paterson I. J. (Spicer and Pegler), London
Paterson I. M. (Peat Marwick Mitchell & Co), Brighton, E.Sussex
Paterson R. M. (Spicer and Pegler), London
Patmore L. M. (Touche Ross & Co.), Birmingham
Paton G. B. (Peat Marwick McLintock), London
Patrick S. (Vice Marks Stead & Co), Leeds
Pattrick R. M. A. (Arthur Andersen & Co), Nottingham
Pawson N. C. (Peat Marwick McLintock), Middlesbrough, Cleveland
Pearse C. A. S. (Peat Marwick McLintock), Stoke-on-Trent
Pearson J. R. (Clark Whitehill), London
Pearson J. A. (Pannell Kerr Forster), Leicester
Peet L. E. (Touche Ross & Co), London
Penfold J. M. (Arthur Young), Nottingham
Penn R. E. (Jordan, Brookes & Co.), Winchester, Hants
Pennington A. J. (Binder Hamlyn), Manchester
Perks A. T. (Touche Ross & Co.), Wolverhampton
Perras G. H. M. (Binder Hamlyn), London
Peters G. S. (Frazer, Whiting & Co), London
Petrie C. R. (Gilbert & Co), St. Albans, Herts
Pettifer R. W. (Binder Hamlyn), Reading
Philippou C. C. (Touche Ross & Co), London
Phillips A. B. (Stephenson, Smart & Co), Peterborough
Phillips N. E. (Deloitte Haskins & Sells), Leeds
Phillips S. D. (Burnett, Swayne & Co), Southampton
Philliskirk D. (Peat Marwick McLintock), Newcastle upon Tyne
Pickles A. M. (Binder Hamlyn), Bradford, W.Yorkshire
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Pike J. E. (Arthur Young), Liverpool
Pillinger D. J. (Peat Marwick McLintock), London
Pinfold C. J. (Norris Gilbert, Stern), London
Pinhorn D. A. (Peat Marwick McLintock), Bournemouth, Dorset
Pins A. (Libson(Nyman), Paul & Co.), London
Pipe S. D. (KMG Thomson McLintock), Leeds
Plutan V. S. (Arthur Andersen & Co), Manchester
Plant A. J. (Peat Marwick McLintock), Birmingham
Plant L. S. (Revell Ward), Huddersfield
Plant R. (Dafferu & Co), Coventry
Platts H. J. (Deloitte Haskins & Sells), London
Pointon M. J. (Moore Stephens), London
Poirrette J. M. A. (Price Waterhouse), London
Polack G. J. (Dearden Farrow), London
Pollard R. J. (Revell Ward), Huddersfield
Poole K. J. (Ernst & Whinney), Luton
Porter C. J. (R.S. Porter & Co), Bristol
Porter J. H. (Price Waterhouse), Southampton
Porter M. (Pearson May & Co), Bath
Potter A. J. (Touche Ross & Co.), Bracknell, Berks
Pottle M. F. (Coopers & Lybrand), Nottingham
Potts G. (Touche Ross & Co.), Manchester
Potts J. D. B. (Spicer and Pegler), Birmingham
Poulsom D. A. (Donald H. Bates & Co), Stoke-on-Trent
Powell D. C. (Reads & Co.), Guernsey, Channel Islands
Powell K. S. (Knill James), Lewes, E.Sussex
Poyser D. C. (Spicer and Pegler), London
Preece S. (Simpkins, Edwards & Co), Exeter
Prentice C. J. (Price Waterhouse), Nottingham
Price R. S. (Peat Marwick McLintock), London
Price T. S. (Arthur Andersen & Co), London
Prime L. J. (Spicer and Pegler), Cambridge
Pringle K. J. (Coopers & Lybrand), London
Prior D. B. (Coopers & Lybrand), Cambridge
Proctor R. J. A. (Smith & Williamson), London
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Purcell S. M. (Chater Spain Brothers), Brighton, E.Sussex
Purnell T. (Coopers & Lybrand), Manchester
Purvis K. T. (Hill Vellacott), Northampton
Pyke N. S. (Touche Ross & Co.), Plymouth

Q

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R

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Raffay F. R. (Ball Baker Leake), London
Raffle T. D. (Peat Marwick McLintock), London
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Ramsden K. M. (Coopers & Lybrand), Leeds
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Randall S. J. K. (Coopers & Lybrand), Nottingham
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Raw G. J. D. (Price Waterhouse), Manchester
Rawlings H. E. (Deloitte Haskins & Sells), London
Rawlinson H. T. (Deloitte Haskins & Sells), London
Ray S. B. (Coopers & Lybrand), London
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Redford M. (Watts, Knowles & Co), Letchworth, Herts
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Reed C. D. (Spicer and Pegler), London
Reed M. (Deloitte Haskins & Sells), London
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Ridge P. G. (Dearden Farrow), London
Ridgley C. H. (Grant Thornton), Reading
Ridsdale G. D. (Touche Ross & Co.), Leeds
Rigby S. J. (Barnes Roffe), Uxbridge, Middx
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Riley J. M. (Ernst & Whinney), London
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Ringrose M. W. F. (Spicer and Pegler), Leeds
Rivett A. (Peat Marwick Mitchell & Co), Brighton, E.Sussex
Rix A. S. C. (Ernst & Whinney), London
Rix D. G. A. (Hodgson Impey), London
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Roberts A. S. J. (Price Waterhouse), Birmingham
Roberts C. A. (Deloitte Haskins & Sells), Leeds
Roberts J. C. (Binder Hamlyn), Croydon
Roberts M. C. (Binder Hamlyn), Birmingham
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Robinson L. S. (Coopers & Lybrand), London
Robinson P. (Duncan Sheard Glass & Co), Liverpool
Robinson P. D. (Neville Russell), Leeds
Robinson S. N. (Coopers & Lybrand), Leicester
Robson M. D. (Arthur Young), London
Rocklin R. D. (Price Waterhouse), London
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Rogers J. N. (Ernst & Whinney), London
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Rome A. M. (Ernst & Whinney), Norwich
Rome S. J. (Spicer and Pegler), London
Ross C. (Ernst & Whinney), London
Rostron G. (Price Waterhouse), London
Rottenberg R. S. (Deloitte Haskins & Sells), London
Rouse P. J. A. (Touche Ross & Co), London
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Rowland C. C. (Coopers & Lybrand), London
Rowling K. P. (Hodgson Impey), London
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Russell P. W. (Coopers & Lybrand), Uxbridge, Middx
Rutherford M. H. (Arthur Young), London
Ryan L. C. (Price Waterhouse), Birmingham
Rye J. T. (Elliott, Templeton Sankey), Manchester

S

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Sandys S. R. (Arthur Andersen & Co), Manchester
Sannia A. (Robson Rhodes), London
Sansom S. J. (Cansdale & Co), Chesham, Bucks
Saunders N. A. (Finnies & Co.), London
Saunders T. (Binder Hamlyn), London
Saunderson I. H. (Kidsons), London
Savage L. (Price Waterhouse), London
Savage T. J. (Price Waterhouse), London
Savva S. A. (Spicer and Pegler), Birmingham
Seward G. W. (Armitage & Norton), Huddersfield
Sawyer P. L. (Deloitte Haskins & Sells), Manchester
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Sayers T. M. C. (Coopers & Lybrand), London
Scales C. P. (Chantrey Wood King), London
Scales K. A. (Littlejohn Frazer), Southend-on-Sea
Scarles N. R. (Coopers & Lybrand), Uxbridge, Middx
Scarles V. A. (Grant Thornton), High Wycombe, Bucks
Scotchbrook A. (Grant Thornton), Northampton
Scott D. J. (Kidsons), Nottingham
Scott E. A. (Price Waterhouse), Newcastle upon Tyne
Scott J. C. (Ernst & Whinney), London
Scott M. A. (Pannell Kerr Forster), London
Scott P. (Grant Thornton), Nottingham
Scott R. J. (Price Waterhouse), London
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Shaftesley C. S. (Touche Ross & Co.), Manchester
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Shah N. R. (Price Waterhouse), London
Shah P. D. (Maurice Apple & Co), London
Shakerchi L. (Touche Ross & Co.), Bristol
Shannon G. R. (Ernst & Whinney), London
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Sharp A. S. (Brown, Butler & Co), Leeds
Sharp H. A. (Touche Ross & Co), London
Sharp M. (Price Waterhouse), Birmingham
Sharp N. M. (Winters), London
Shatz A. J. (Price Waterhouse), London
Shaw D. R. (Peat Marwick McLintock), Stoke-on-Trent
Shaw J. M. (Coopers & Lybrand), London
Shaw P. R. (Finnies & Co.), London
Shaw S. J. L. (Porter, Matthews & Marsden), Blackburn
Shelbourne C. J. (Coopers & Lybrand), Leeds
Sheldon R. S. (Arthur Andersen & Co), London
Shelton D. (Ernst & Whinney), Hull
Shepherd P. A. (Price Waterhouse), London
Sherry H. (Peat Marwick McLintock), Basingstoke, Hants
Shiafkou A. J. (Blakemore, Elgar & Co), London
Shill D. A. (Deloitte Haskins & Sells), Cambridge
Shipley G. K. (Touche Ross & Co.), Bristol
Shipsey J. L. (Brooking, Knowles & Lawrence), Basingstoke, Hants
Sidebottom A. B. (Peat Marwick McLintock), London
Silver C. L. (Price Waterhouse), London
Simmons C. T. (H.W. Fisher & Co), London
Simon K. A. (Peat Marwick Mitchell & Co), Brighton, E.Sussex
Simpson A. D. (Deloitte Haskins & Sells), Leeds
Simpson C. G. (Peat Marwick McLintock), London
Simpson G. (Arthur Young), Newcastle upon Tyne
Simpson S. J. (Price Waterhouse), Leeds
Sims C. E. (Pannell Kerr Forster), Great Yarmouth, Norfolk
Singh G. (Levy Gee), London
Sinnett D. (Grant Thornton), Sheffield
Slack D. G. (Deloitte Haskins & Sells), Nottingham
Slee R. K. F. (Bourner Bullock), London
Sleigh-Johnson N. V. (M.J. Ventham & Co), Hockley, Essex
Sloan R. W. (Touche Ross & Co.), Leicester
Smeed R. A. (Deloitte Haskins & Sells), London
Smith A. (Oswald Ling & Son), Derby
Smith A. J. (Binder Hamlyn), London
Smith C. M. (Deloitte Haskins & Sells), London
Smith D. K. (Grant Thornton), Liverpool
Smith E. D. (Spicer and Pegler), London
Smith G. W. (Binder Hamlyn), Newcastle upon Tyne
Smith I. (Milne Ross), London
Smith I. (Coopers & Lybrand), Reading
Smith I. W. (Peat Marwick McLintock), Manchester
Smith J. A. (Ernst & Whinney), Ipswich
Smith J. S. R. (Binder Hamlyn), London
Smith J. G. (Arthur Andersen & Co), Leeds
Smith K. A. (Peat Marwick McLintock), Cardiff
Smith M. J. (Price Waterhouse), Leeds
Smith N. M. (Arthur Young), Luton
Smith N. R. (Spicer and Pegler), London
Smith P. A. (Touche Ross & Co), London
Smith R. W. (Peat Marwick McLintock), Bristol
Smithson D. (Walter Dawson & Son), Dewsbury, W.Yorkshire
Smyth D. A. (KMG Thomson McLintock), Manchester
Smyth S. (Spicer and Pegler), Croydon
Snazell J. A. H. (James & Cowper), Newbury, Berks
Snowdon S. (Ernst & Whinney), London
Solomons E. P. (Touche Ross & Co), London
Sorbie R. G. (Morley & Scott), Winchester, Hants
Southwell C. J. (Edwin Smith & Co), Reading
Sowerby G. A. (Ernst & Whinney), London
Sparrow C. E. (Deloitte Haskins & Sells), London
Speke J. P. H. (Coopers & Lybrand), London
Speller A. M. (Chantrey Wood King), London
Spiers H. D. (Binder Hamlyn), London
Spowart J. H. (Nickalls & Co.), Alnwick, Northd
Spry E. K. (Peat Marwick McLintock), Plymouth
Squire P. (Bloomer, Adams & Partners), Wolverhampton
Stacey J. C. (Peat Marwick McLintock), London
Stacey R. J. (Hawsons), Sheffield
Stanger C. M. (Spicer and Pegler), London
Stanley M. (Peat Marwick McLintock), Sheffield
Stanley P. (Arthur Andersen & Co), Manchester
Stanley S. L. (Coopers & Lybrand), Sheffield
Stannard A. (Everett, Chettle & Co), London
Stansfield P. (Moss & Williamson), Ashton-Under-Lyne, Lancs
Staple D. J. (Ernst & Whinney), Bristol
Stark G. D. C. (Coopers & Lybrand), London
Starke C. C. (Peat Marwick McLintock), London
Starkey C. J. (Blick Rothenberg & Noble), London
Starkey R. J. (Longcrofts), London
Stead C. (Spicer and Pegler), Manchester
Steer G. T. M. (Arthur Young), London
Stephens A. (Arthur Young), London
Stephens G. N. (KMG Thomson McLintock), Manchester
Stephens T. J. (Price Waterhouse), London
Stevens J. K. (Coopers & Lybrand), London
Stevens K. M. (Ernst & Whinney), Birmingham
Stevenson-Hamilton I. R. H. (Coopers & Lybrand), London
Stewart D. A. (Ernst & Whinney), Plymouth
Stewart J. H. (Price Waterhouse), Manchester
Stewart M. S. (Peat Marwick McLintock), Bristol
Stewart S. C. (Binder Hamlyn), London
Stokoe D. E. (R. Tait Walker & Co), Newcastle upon Tyne
Stone O. R. (Arthur Andersen & Co), London
Storey K. (Finnies & Co.), London
Stormer S. J. (Price Waterhouse), London
Stothert S. (KMG Thomson McLintock), Leeds
Stott C. I. (Dearden Farrow), Croydon
Stredder D. (Lonsdale & Marsh), Liverpool
Strond N. L. (Touche Ross & Co), Dartford
Stuart G. M. (Price Waterhouse), Glasgow
Studd P. A. F. (Ernst & Whinney), London
Sturmey N. J. (Price Waterhouse), Liverpool
Stylianides C. J. (Moore Stephens), London
Suddaby P. (Ernst & Whinney), Hull
Sulaiman S. (Peat Marwick McLintock), London
Sulistio Y. (Arthur Young), London
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Sutcliffe I. T. (Peat Marwick McLintock), London
Suter D. E. (Binder Hamlyn), London
Suthers A. (Coopers & Lybrand), Leeds
Sutton R. D. (Ingram, Nolan & Co), Leeds
Swann M. C. (Haworth, Moore & Co), Blackpool
Swann R. A. (Deloitte Haskins & Sells), Manchester
Swettenham I. R. (Coopers & Lybrand), Manchester
Swinburne-Cloke I. (Arthur Young), London
Swire I. (Coopers & Lybrand), Sheffield
Sykes R. M. (Grant Thornton), Nottingham
Symes D. (Hacker Young), London

T

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Tan J. W. (Lubbock Fine), London
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Taylor D. (Mason Burrows & Yearsley), Altrincham, Cheshire
Taylor D. M. (Arthur Young), Manchester
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Taylor G. S. (Moore Stephens), London
Taylor J. M. (Armitage & Norton), Bradford, W.Yorkshire
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Taylor R. W. (Elliott, Templeton Sankey), Manchester
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Thexton C. W. (Percy Westhead & Company), Manchester
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Thomas A. J. (Touche Ross & Co), London
Thomas C. M. (Arthur Young), London
Thomas H. (Clark Whitehill), Reading
Thomas P. N. (Peat Marwick McLintock), London
Thompsett A. C. (Price Waterhouse), London
Thompson E. H. (Arthur Young), London
Thompson J. C. (Coopers & Lybrand), London
Thompson J. A. (Spicer and Pegler), London
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Thompson M. P. (Peat, Marwick, Mitchell & Co), Bristol
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Thompson R. C. W. (Coopers & Lybrand), London
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Thomson S. (Casson Beckman), London
Thornley M. S. (Cape & Dalgleish), London
Thoroughgood F. (Peat Marwick McLintock), London
Thorp M. S. (Allwood Baird), Chester
Thorpe M. (Coopers & Lybrand), London
Thorpe M. E. (Grant Thornton), Liverpool
Thrower J. J. (Arthur Young), London
Thurlow N. R. G. (Spofforths), Chichester, W.Sussex
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Tindale P. A. (Coopers & Lybrand), Nottingham
Tindall S. J. (Barber, Harrison & Platt), Sheffield
Ting W. S. D. (Poulsoms), Manchester
Tithecott S. J. (Ledbury Martin & Co), Bristol
Tobin P. A. (Peat, Marwick, Mitchell & Co), Milton Keynes
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Tomkinson A. (Price Waterhouse), Birmingham
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Townsend R. B. (Peat Marwick McLintock), Birmingham
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Tratalos N. F. (Arthur Andersen & Co), Manchester
Tremble E. M. (Smith Starmer Hart), Northampton
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Trill S. (Peat Marwick McLintock), Bristol
Trim J. J. (Peat, Marwick, Mitchell & Co), Reading
Tsang W. M. (Hacker Young), London
Tsui E. (Sharles & Co), London
Tucker P. M. (R.W. Allott & Co), Rotherham, S.Yorkshire
Tudor H. R. (Price Waterhouse), London
Turner A. W. (KMG Thomson McLintock), Birmingham
Turner D. H. (KMG Thomson McLintock), London
Turner E. (Price Waterhouse), Manchester
Turner G. (Neville Russell), London
Turner I. M. (Peat, Marwick, Mitchell & Co), Bristol
Turner R. (Howard, Tilly & Co.), London
Turton J. E. (Price Waterhouse), Birmingham
Twelvetree D. S. (Peat Marwick McLintock), London
Tyrer E. H. (Peat Marwick McLintock), Liverpool
Tyrie S. M. (Peat Marwick McLintock), Birmingham

U

Udale R. (Armstrong Watson & Co), Carlisle
Udall D. C. (Kevan Pilling & Co), Bolton
Unwin D. A. (Ernst & Whinney), London

V

Valera A. K. H. (Haslers), Woodford Green, Essex
Van Dijkhuizen P. E. (Peat Marwick McLintock), London
Vaughan D. (Coopers & Lybrand), Uxbridge, Middx
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Vincent I. K. (Arthur Andersen & Co), Birmingham
Viney B. (Price Waterhouse), London

W

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Wallace L. (Spicer and Pegler), London
Wallis A. C. (Kingston Smith), London
Walters D. I. (Binder Hamlyn), Sheffield
Walters J. R. (Peat Marwick McLintock), London
Walton I. S. (Ernst & Whinney), Newcastle upon Tyne
Walton R. M. (Stoy Hayward), London
Wan Y. L. (Hacker Young), London
Ward F. A. (Arthur Young), Southampton
Ward G. (Neville Russell), London
Ward L. K. (Price Waterhouse), Nottingham
Ward M. R. (Touche Ross & Co), London
Ware A. J. A. (Deloitte Haskins & Sells), London
Ware C. T. (Longcrofts), London
Warne S. (Peat, Marwick, Mitchell & Co), Bristol
Wassell J. H. (Ernst & Whinney), Birmingham
Watson J. A. (Grant Thornton), Oxford
Watson M. W. (Stoy Hayward), London
Watson N. J. (Pannell Kerr Forster), Manchester
Watson S. C. (Neville Russell), London
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SECTION III

FINANCIAL TIMES SURVEY

Ireland

Having formed a minority government after this year's general election, Mr Charles Haughey, Ireland's Prime Minister, has defied his own past and wrong-footed the Opposition by launching a harsh austerity programme to put the nation's finances on an even keel. He has also embraced the Anglo-Irish agreement. **Hugh Carnegy** reports

Haughey gets to grips

FROM THE most inauspicious of beginnings, 1987 may turn out to be the year in which the Republic of Ireland at last began to get to grips with the problems of debt and overspending that have dogged it for more than half a decade.

If it does, and the outcome is not certain yet, one of the most controversial and intriguing politicians the country has produced, Charles Haughey, will take much of the credit for putting right a situation his opponents always said he was largely responsible for creating.

Mr Haughey, leader of the Fianna Fail party, returned to the office of Taoiseach (prime minister) for the third time after a general election in February which saw the eclipse of his long-time rival, Dr Garret FitzGerald, leader of Fine Gael.

Fine Gael's four-year old coalition with Labour had finally fallen apart after months of wrangling over public spending cuts. Despite Dr FitzGerald's commitment to a severe austerity programme to restore control of the wayward public finances - and some successes in reducing borrowing levels - his government left behind a record national debt, a record budget deficit and record unemployment.

It was not a recipe for electoral success and Fine Gael was savaged at the polls. Dr FitzGerald resigned as Fine Gael's leader shortly afterwards.

His defeat was not neatly mirrored by Mr Haughey's success, however. Most of the support which flowed away from Fine Gael went to a new party, the Progressive Democrats, which emerged from the election as the third largest group in the Dail (lower house of parliament) with 14 seats.

Fianna Fail was by some margin the biggest party but, for the fourth time under Mr Haughey's leadership, it had failed to win a majority and had to form a minority government.

The electorate was clearly unconvinced by Dr FitzGerald's appeal for another chance to put the economy right. But, equally, voters were chary of Mr Haughey's past record in free-spending Fianna Fail governments and his rather woolly election talk of the need for Ireland to grow rather than cut its way out of depression.

Faced with that choice, a significant chunk of voters preferred the Progressive Democrats' scorn for the two old parties and their call for a truly radical belt-tightening, free-market economic policy.

Mr Haughey's position looked ominously weak. Compromising deals with small parties, which he had fixed in a similar situation in 1982, or another election looked likely options.

What happened instead has become the biggest political talking point in Ireland, labelled by many an Irish bar room wag as the greatest conversion since St Paul.

Mr Haughey, defying his own past, flatly refused to enter deals with anyone and launched his minority government on the toughest austerity programme the country had witnessed. Withering criticism of FitzGerald's brutal cutback plans gave way to stern warnings of the harsh measures needed to confront the grave financial crisis facing the nation.

Scepticism about Fianna Fail's ability, or determination, to do the job it spent most of the election saying was not really necessary began to wane when Mr Ray MacSharry, the Finance Minister, produced a budget containing a raft of public spending cuts and warnings of a public pay freeze.

Some months later, few doubters remain after a summer of relentless cuts in which hospitals have closed, public service jobs have been axed and Mr Haughey and Mr MacSharry have pressed their ministers into preparing more of the same for next year.

The intention is to close the gap between government spending and revenue, last year a deficit of IR£1.4 bn, by IR£200 m this year and more in 1988 and so move towards a position where the total government debt, now standing at IR£24 bn, stops growing, at least as a proportion of national income.

Where Mr Haughey has scored politically is that his two biggest opponents, Fine Gael and the Progressive Democrats, essentially agree with the government strategy. The left, in the shape of the small Labour Party and the even smaller Workers' Party, protest loudly about the bruising the poorly-off are receiving but they offer no real challenge.

Fine Gael and the PDs are exasperated by having to, in effect, support a Prime Minister they have long distrusted. Mr Haughey's autocratic style, his past battles within his party and the telephone-tapping and other scandals he presided over in the past made him the bogeyman of Irish politics. But the opposition has been wrong-footed by him now.

Early this month, Mr Alan Dukes, the new Fine Gael leader struggling to regroup the party after its election hammering, pledged not to oppose next January's budget if it continued the assault on the debt, virtually assuring Mr Haughey of a clear passage for at least another year.

Nobody is suggesting that Ireland's economic problems can be solved in that time. Even if the public finances are getting back on the right track, it will only be the beginning of a long war of attrition on the debt. Then there is the enormous problem of unemployment, currently at 19.2 per cent of the labour force. The full scale of the challenge involved in achieving real employment growth becomes alarmingly clear when the emigration figures of some 30,000 a year are added to the 250,000 on the dole at home.

Industrial output is set to rise significantly this year, but employment is still declining in most sectors, including agriculture and construction. The government's energetic espousal of industrial development based on export-oriented, indigenous natural resources is doubtless correct and, certainly, there is less of a feeling of gloom in Dublin than a year ago. But the fact remains that the decline of the past few years will take a long time to reverse, even in the best conditions.

While the economy has dominated the scene this year, important developments have also occurred in other areas.

Ireland's commitment to the European Community, whose net annual contribution to the Republic of about IR£1bn is more than ever needed, seemed to falter in the Spring when the Supreme Court ruled that the Single European Act contravened the constitution.

The Act, seeking to bind members states more closely on economimc and political matters, was held up while Ireland held a referendum on the issue. It was baffling to most voters, many of whom stayed at home, and there were government fears that the day might be lost amid allegations that the country's unique position within the EC of military neutrality and Roman Catholic conservatism would be compromised by the Act.

In the end, however, it was passed easily, leaving Mr Haughey clear to fight within the Community for the additional regional funds promised by the EC Commission, but not yet approved by Community Heads of Government.

Mr Haughey's so-called conversion also encompassed the Anglo-Irish Agreement, the accord on Northern Ireland that was the main achievement of Dr FitzGerald.

The 1985 agreement gave Dublin a formal role in northern affairs for the first time in exchange for acknowledging the northern majority's right to remain within Britain. Mr Haughey attacked it bitterly in opposition but since taking office has been happy to let it operate unhindered.

His foreign minister, Mr Brian Lenihan, has struck up a warm rapport with Mr Tom King, the British secretary of state for Northern Ireland, and meetings of the ministerial conference have continued to tackle the key issues of the judicial system, employment discrimination and cross-border security.

Fianna Fail, traditionally the strong republican party, has shown no compunction in cooperating on the latter. There is no love lost between the party and the Irish Republican Army, which is fighting British rule in the north.

Sinn Fein, the IRA's political wing, put up its biggest fight to date in the Republic in the February election but made little impression, failing to take any seats by some margin. Fianna Fail leaders are as keen as any to ensure that Sinn Fein/IRA do not develop into a political threat in the south.

CONTENTS

Banking and finance

Battle for new business at home and abroad

THESE ARE busy times in Ireland's banking and financial sector, even without the hoopla being generated over the setting up of an international financial services centre in Dublin's Custom House Docks development.

The country's two biggest banks, old rivals Allied Irish Banks and the Bank of Ireland, are both engaged in significant expansion overseas while positioning themselves to meet changing circumstances at home where competition is intensifying while lending and resources markets are depressed.

Earlier this year, Northern Bank Ireland, with National Westminster Group's Ulster Bank one of the big two's main, but much smaller competitors in the Republic, was sold by its parent Midland Bank to National Australia Bank. The sale was part of a package in which NAB was chiefly interested in acquiring Scotland's Clydesdale Bank, but the newcomer has promised vigorous commitment to Northern's development.

*Meanwhile, the level of com*petition between the banks and other financial institutions, particularly the building societies, is increasing sharply as the banks move aggressively into housing finance and regulatory changes are in the pipeline to allow the societies to broaden their activities.

AIB patted itself on the back in May when it announced it had broken the I£100m mark for pre-tax profits for the first time in the year to March 31, 1987, with after-tax profits of I£65.4m, up 20 per cent, underlining its position at the top of the league.

In the same period, Bank of Ireland, in recent years regarded as sluggish by Dublin analysts, made pre-tax profits of I£31.5m, although it took comfort in a 16 per cent rise in the after-tax figure of I£51m.

An outstanding feature of the strategy pursued by both banks recently has been overseas expansion to diversify from a limited home market which has suffered from severe economic *depression for most of this decade.*

The clearest illustration of the difficulties encountered in the Republic in that period has been the very high bad debt provisions the banks have had to make, last year totalling I£48.2m for AIB and I£46.5m for Bank of Ireland.

AIB's overseas operations accounted for 52 per cent of pre-tax profits last year, more than half of that coming from Britain where it employs 1,000 people in 60 locations. A big chunk ($20.4m) came from the share the bank has had in First Maryland Bankcorp in the US since 1983. AIB is due to increase its stake to 51 per cent of FMB at the end of this year.

Bank of Ireland has been has been actively looking for an acquisition in the US for some time. Meanwhile, it has bought into the home mortgage business in the South-East of England through the acquisition of BankAmerica Finance, now renamed Bank of Ireland Home Mortgages, which had £850m in mortgages on its books when the bank took it over.

The bank also became the *first Irish issuer of commercial* paper in the US earlier this year aimed at increasing dollar *funds available to it.*

This is not to say that there has been little activity back home, despite a difficult domestic outlook in which a feature last year was the introduction of a deposit interest retention tax which squeezed margins. All financial institutions have been confronting changing circumstances in which the pressures, both from within and from the EC's moves towards the single market, are towards much greater flexibility in the sale of financial services.

For the banks, an important element in this lies on the staffing side. Protracted negotiations are going on with the strong Irish Bank Officials Association on a deal covering pay and changes in work practices due to technological changes. If and when that is completed, the issue of lunchtime closing still has to be tackled.

On its own, the Bank of Ireland is seeking agreement with the IBOA on a programme of up to 700 redundancies to get its operating costs in line with rival institutions.

The country's 10 building societies (with total assets of I£3.2bn, nearly 90 per cent attributable to the "big four" Irish Permanent, First National, Educational and Irish Nationwide) are awaiting new legislation which will allow them, like their counterparts in Britain, to *offer a far wider range of prod*ucts.

At present, they are restricted to providing private housing finance, with some limited leeway for commercial mortgage lending, bridging finance and home improvement lending.

In the last year, AIB and Bank of Ireland, both out to exploit their huge branch networks and advanced computer systems, have made big inroads into the mortgage lending market, worth around I£600m a year in new business. Bank of Ireland had *already upset the "big four"* by buying the fifth largest society in Ireland, the ICS. This year the banks are set to account for about 40 per cent of all new mortgage business.

Given, as the Irish Nationwide pointed out this month, that the overall demand for mortgages is set to decline and *competition is fierce,* the building societies aredesperate to broaden their activities into *other lending forms, such as in*surance and perhaps estate agency.

Here again, the big banks have been using their muscle to expand, with AIB establishing a securities company and buying a stake in an Irish insurance brokers and Bank of Ireland starting a life assurance company.

As the competition hots up, so do the arguments about the commercial advantages which each side accuses the other of having because of differing tax and regulatory regimes. The banks complain that the building societies pay tax at 35 per cent while they pay 50 per cent (though not on mortgage earnings) and are subject to a special bank levy.

The building societies object to the tax concession for the banks on mortgage earnings and the regulatory strictures put on their activities. Both banks and building societies complain about the tax advantages enjoyed by insurance companies - which have taken a growing share of the savings market - and state institutions *like the Post Office.*

All seem *to agree on the need for greater* legislative harmony governing financial institutions, including the removal of remaining exchange controls, as they gird their loins to meet the future.

Hugh Carnegy

Custom House docks, site of the planned international financial services centre

International financial services centre

Dublin project reaches critical stage

ASK ANY of a whole range of people in Dublin, from bankers, stockbrokers and builders to politicians, public relations officers and marketing executives, to name the city's biggest talking point of the year and there is a good chance the reply will be: "The Custom House Docks."

The project, to rebuild a 27 acre abandoned inner-city dock site, has been seized upon with messianic fervour by a Government desperate to find some development - amid the litany of public spending and employment cuts - that offers the prospect of jobs and prosperity.

The idea to bring life back to the site on the north bank of the River Liffey through building prestige offices, hotels, houses, shops and restaurants had attractions enough as it stood. But *it was given added fizz by the* Government's decision to offer a package of juicy tax and other incentives to financial service businesses which set up within the boundaries of the development.

Dublin's attempt to set up an International Financial Services Centre was born. Much aggressive marketing by the Government and the Industrial Development Authority - and local financiers closely involved in the project - has raised a host of optimistic expectations over the past few months.

There has been talk of big American, Japanese and European banks and securities houses sniffing about, of "as many as 7,500 jobs being created over the next few years," even of the site not being big enough to accommodate all those who want to set up within it.

Now the critical stage is approaching when evidence will begin to emerge as to whether the Custom House Docks really can put Dublin on the map as a significant centre for international financial services.

The selling points of the IDA, which is marketing the scheme, *are these: corporation tax will* be 10 per cent, capital gains tax zero, commercial property taxes zero for 10 years and there will be double tax deduction of rent costs. The EC has approved these financial incentives.

Non-financial attractions include a convenient time zone, English as the local language, good quality telecommunications and membership of the EC. The Irish also make much of having a highly educated pool of relatively low-cost labour suitable for a sector in which Irish people have shown considerable aptitude - witness the numbers of Irish traders in such centres as Chicago and London.

Just about every form of internationally-traded financial service is listed as a potential for Dublin by the IDA, including foreign exchange trading, futures and all kinds of securities, fund management, corporate treasury management, insurance and leasing.

So far, several institutions and companies have signalled their intention to apply for a licence to operate in the Docks. The two big Irish banks, Allied Irish and the Bank of Ireland, were *the first to declare.*

Wang, which already has a manufacturing and leasing operation in Ireland, is moving in through its international leasing division. A group of mainly Irish-American traders from the Chicago Mercantile Exchange intends to establish a European Mercantile Exchange, trading in financial futures and options.

A new company backed by *Ci*ticorp, Irish Life and others to the tune of I£33m called Gandon, headed by the former Citicorp investment manager in Dublin, will trade in a number of financial instruments, while Citicorp itself has said it is looking closely at the site.

The IDA has gone as far as saying that at least 10 institutions will be signed up by the end of the year.

Observers in Dublin's financial markets tend to be fairly optimistic about the scheme's chances of success, if somewhat less bullish than the Government promoters.

There is caution over the claims that the biggest international names in the industry might come to Dublin and over *some of the more extravagant* hopes for job creation. But the Gandon initiative is seen as a pointer to the type of operation which might flourish.

The Gandon deal involved a transfer of Citicorp's 30 per cent stake in Ireland's biggest stockbrokers, J & E Davy, to Gandon to complete a tie-up with an existing player in the local financial markets.

*A crucial element in the suc*cess of the centre will be the availability of people with the requisite skills. This may be blunted by the extremely high personal tax regime in Ireland which erodes the incentive, for example, for Irish traders currently *working abroad to return* home as the backers of the scheme hope will happen.

Nor should it be overlooked that the Custom House Docks have yet to be built. Proposals for the site have been received from eight development groups, whose names include Taylor Woodrow, Trafalgar House, Tarmac and Wimpey. A preferred proposal is to be chosen by the end of October, so physical building of the site has a long way to go before it is ready for occupancy.

That is no obstacle, says the Government. It has made special provision for investors in the financial services centre to qualify for the incentive package on different sites until the Custom House Dock is ready.

Hugh Carnegy

IRELAND 3

The economy

Applying the fiscal medicine

FOR MORE years than most Irish people care to remember, their governments have been telling them that the country faces such profound economic crisis that only the most draconian measures will suffice to put things right.

It is at least seven years since political leaders began to warn that the alarming levels of debt caused by the heavy imbalance between public spending and revenue was choking the nation's livelihood.

After four years in power dedicated to "fiscal rectitude," Dr Garret FitzGerald's coalition left office last February in disarray, his Fine Gael party and its Labour partners having fallen out over proposed spending cuts.

The gap between spending and revenue and the total national debt were greater than they had ever been. Growth was non-existent, strangled by the adverse conditions caused by the debt. Unemployment approached 19 per cent of the workforce and tens of thousands more were flowing out of the country in a tide of emigration. The outlook was grim and the election campaign was yet another trudge through the woes of the public finances.

It was pretty remarkable, therefore, that within six months, the country's Economic and Social Research Institute was able to suggest, albeit hedged about with "ifs" and "maybes", that the worst could be over by the end of 1988. "The prospects for more substantial economic growth in the years beyond 1988 are quite promising, and the haemorrhage of falling job levels could be stemmed before the end of the decade," its senior economists declared.

What has happened in those six months?

Much to the nation's surprise, what has happened is that a Government has finally got down to the job of administering the painful fiscal medicine so long prescribed but so often watered down by political weakness. The Government has had its share of luck in broadly favourable external factors, but it has so far not shirked its task.

The task is a mighty one. In his budget at the end of March, Mr Ray MacSharry, the Finance Minister, set targets to reduce the current budget deficit this year to I£1.2bn (6.9 per cent of gross national product) from I£1.4bn (8.5 per cent of GNP) last year. This would bring the Exchequer borrowing requirement down to I£1.85bn (3.8 per cent of GNP) from I£2.1bn (13 per cent of GNP).

The chief method for achieving these targets was a programme of spending cuts that has sent a chill wind whistling through the public sector from the politically sensitive health, welfare and education services to state agencies involved in industrial and other development.

Hospitals have been closed, public servants laid off and some entire organisations, such as the Environmental Planning Board and the Health Education Board, shut down.

The Finance Act enacting the budget was not through Parliament before Mr Charles Haughey, the Prime Minister, had sent a letter to his ministers calling for "further significant cuts in expenditure" to be identified for 1988. The indications are that Mr MacSharry is seeking gross cuts of some I£500m next year with reductions in the 187,000-strong public workforce of around 10,000.

The intention is to get annual government borrowing down to about 8 per cent of GNP, the level at which the overall ratio of total debt to GNP, now at some 150 per cent, will at last stabilise.

When the budget came out there was scepticism in the financial markets that its targets could be met. But since then the unflinching stance of Mr Haughey and Mr MacSharry, coupled with a lack of widespread industrial action to oppose the cuts predicted by some trade unionists, has led most analysts to conclude that the outturn this year will be acceptably close to target.

The Government's success in establishing its own credibility has put some confidence - which was so manifestly lacking last year - back into the markets.

As a result, damaging capital outflows which arose last year have been reduced. The improvement in liquidity in the domestic money markets has helped both to ease the Government's funding problems and to peg back prime interest rates, which had risen to historically high levels, at around 11 per cent.

Other factors have also played a large part in these improvements: in 1986, the weakness of sterling had a deeply damaging effect on Ireland which, because of its strong trade link with Britain, is still vulnerable to fluctuations in sterling despite the break in the formal link between the currencies in 1979 when Ireland joined the European Monetary System.

The high levels of the Punt against sterling made Irish exports uncompetitive and sucked liquidity out of Dublin in a speculative judgment that it was bound to fall again and thus sterling was cheap. This year, rates have been stable at around I£1 = 90p, eroding pressures in Dublin and easing the Irish clamour for Britain to join the EMS.

But Dublin is still dissatisfied at the way Irish interest rates tend to reflect rates in London and there are moves afoot to "decouple" the link, the latest being a plan to launch an ECU-denominated government gilt on the Irish Stock Exchange.

While the danger always exists that things may again turn sour as they did in 1986 - and much will depend on external factors like world trade trends remaining favourable - the relative currency stability and lower interest rates have helped encourage a resurgence of exports this year. That has led to a recovery in industrial output, which is set to expand well ahead of last year's 2.8 per cent growth

One of the effects of the strong export performance, in which Ireland's large pool of foreign-owned industry plays the major part, is an improving balance of payments position, an important factor in managing the I£10m foreign debt. The current account deficit is expected this year to more than halve to less than 1 per cent of GNP.

With annual inflation also down to around 3 per cent, there are grounds for some optimism of the type expressed by the ESRI. But, as it readily acknowledges, enormous difficulties still exist even if the public finances are brought under control. Even if the debt/GNP ratio stops rising, there will remain a long period of heavy debt repayment to get it down.

Unemployment is an equally intractable problem. Although industrial output is rising, overall GNP growth this year is still unlikely to be more than 1.5 per cent, leaving little room for expansion in employment. The deflationary effect of the Government's austerity programme, with the curbs it puts on public and private consumption, is a factor here.

The numbers in work have declined steadily in the 1980s to last year's figure of 1.07m. Vital sectors such as agriculture and construction are still showing a decline in numbers employed. Manufacturing employment may stabilise this year, but numbers in manufacturing work have tumbled from 222,000 in 1981 to fewer than 187,000 last year.

The problem is partly structural as the young population means the workforce is still growing. Were it not for emigration, which has accounted for more than 100,000 in the past five years, unemployment numbers, now at 250,000, would be unmanageable.

Even if some regeneration of industry gets underway, clearly there is a long way to go to make a significant impact on employment.

Hugh Carnegy

Basic Facts

President: Patrick Hillery	
Head of Fianna Fail Government: Charles Haughey	
Capital: Dublin	
Official Languages: Gaelic/English	
Population: 3.54 m	
Labour Force: 1.28 m	
Unemployment (Average rate 1st ½ 1987): 19.2%	
Currency: Irish Pound: IR £1 = 100 pence	
Exchange Rates (Sept 14, 1987): IR £1.11 = STG 1.00; IR £1.00 = $1.48	
G.N.P. at Market Prices (IR £m):	1986 = 16,190 1987 = 16,983 Forecast)
G.N.P. Per Head: $6,650 at current exchange rates	
Balance of Payments: Current Account (IR £m):	−549 in 1985 −329 in 1986 (−141 in 1987 Forecast)
Balance of Merchandise Trade (IR £m):	+155 in 1985 +560 in 1986
Consumer Price Index Rise: Aug 86 – Aug 87 = 2.8%	

Dubliners enjoying a break in one of the city's shopping centres: hoping for better times ahead.

Industrial Policy

Changes on the way

"IRELAND HAS to industrialise," says Mr Mike Healy, one of the owners of Ashling Microsystems, a small Irish electronics company near Limerick. "We cannot expect to achieve the standard of living we appear to want on the back of inefficient agriculture, underdeveloped service industries and spotty manufacturing."

Creating wealth and generating jobs is a perennial headache for Ireland and one that places an onerous burden on every governing administration.

The lot has now fallen to Mr Charles Haughey's Fianna Fail Government and subtle policy changes on industrial development are already emerging under Mr Arthur Reynolds, the Minister for Industry and Commerce.

These include greater emphasis on developing the food and other natural resource industries by pushing down more into higher value added processing. Ireland has been way behind Denmark and the Netherlands in doing this.

While continuing to encourage inward investment, the Government says it also wants to accelerate the policy of the previous administration in tightening up grants and simplifying the present structure of 14 or so agencies involved in development.

The consequences for Ireland of failing to cope sufficiently well so far with the need to generate wealth are all too obvious. An unemployment rate of 19 per cent, a net migration of 100,000 people in the past six years and the "exportation" of about 30 per cent of Irish technical and scientific graduates during that period all make unpleasant reading.

With more than three children per family - one of the highest birth rates in Europe - and a half of its population under 25, Ireland has to run just to stand still.

An examination of the employment structure appears to show that, on the face of it, Ireland is not widely different from some other European countries.

Employment in manufacturing, for example, is around 19 per cent of the workforce, against an OECD average of 22 per cent. Ireland is also a trading nation which regularly notches up a healthy trade balance.

Calculating on the basis of a small domestic population, the Irish are keen to emphasise that the country exports three times as much as Japan per head of population, a significant proportion of that being manufactured goods.

But statistics can deceive. Unlike Europe's main manufacturing nations, Ireland has not had a large manufacturing employment base which is simply shrinking through the progression of new technology.

In fact, it had no real manufacturing culture at all until the 1960s, when foreign-owned companies began moving in. Foreign companies still play a dominating and unhealthily large role. The 920 foreign production and trading services companies account for 75 to 90 per cent of goods manufactured or heavily processed in Ireland and around 40 per cent of manufacturing employment.

This type of investment has injected some roots down into the Irish economy, producing a good number of Irish managers trained by the multinationals. But to an outsider, foreign investment almost looks like a veneer, albeit a weighty one, resting on what is still a largely rural, agrarian and non-entrepreneurial economy.

Ireland has some advantages. It does not have the terrible scars and baggage of an earlier industrial revolution. Many companies testify to the speed at which the Irish can train and adapt.

"The pace of work here is not a problem. Productivity is definitely comparable with Germany," says Mr Harry Diegmann, who runs the Waterford production plant of Kromberg and Schubert, the West German manufacturer of cable harnesses and sub-assemblies for the vehicle and data processing industries.

Baum and Losch, the US optical equipment company, has found its Irish operations so successful that one of its sites is now the world's largest producer of optical lenses.

The Industrial Development Authority, with 19 offices in 11 countries, still offers a splendid package of assistance, with a yearly capital budget of I£140m.

Ireland is also churning out a lot of engineers, some of them from the highly-rated engineering institute in Limerick. The problem is that the country just cannot absorb them. And many of those that do find employment disappear abroad, driven out by high personal taxes raised to cover the country's huge debt, much of it built up under a previous Haughey administration. "Personal taxes here are obscene," says Mr Brian McAloon, the Scottish managing director of the Irish production site of Analog Devices of the UK.

Industrial policy in Ireland has gone through some major shifts in emphasis. In the 1940s and 1950s - and continuing perhaps long after that - protectionism was the name of the game.

This produced some benefits, including the arrival of many UK food companies. But it had two serious flaws. It was never used to breed domestic manufacturing companies and it encouraged some uneconomic foreign investment which simply packed up and went home when markets opened up.

The most striking example of this was the car industry. Ireland has had five vehicle assembly plants owned by foreign companies - General Motors, Ford, Toyota, Talbot and Leyland. That is a staggering number for a small country. Inevitably perhaps, all these small assembly operations have shut, the last being Ford's Cork plant in 1985.

The 1960s and 1970s were periods of very significant inward investment. The IDA, with 20 offices in 11 countries, has been very successful with this policy, foreign companies accounting for 80,000 jobs in manufacturing and export services out of 200,000, according to IDA figures.

Mr John McMahon, the IDA's economist, says each job has cost about I£3,500 a year on average to attract and keep but each adds about I£32,000 every year into the economy.

The companies are spread across a wide sector, including electronics, chemicals and pharmaceuticals, heavy and light engineering.

The critics of foreign investment in Ireland point to the 80 per cent or so of components and raw materials the multinationals import into Ireland. They also argue, with much justification that Ireland sat back in the 1960s and 1970s, relying on inward investment while failing to nurture domestic manufacturing. The decision this year by Hyster, the US lift truck maker to abandon its Dublin production site, which the IDA had backed with I£15m in grants and I£6m in buildings, exacerbated those feelings.

Inward investment, though, created some form of industrial base in Ireland that was almost entirely missing. The survival rate of foreign companies has also been higher than indigenous businesses. The closure rate of US companies has been around 4.5 per cent a year as against 6 per cent for Irish companies. West German companies have had a very high survival rate but UK plants have performed poorly, their closure rate double those from the US.

The problems with just sticking to inward investment - even with the more recent IDA emphasis on product development and research in these companies - have been obvious in recent years. Attracting foreign companies is increasingly competitive and inward investment is down by about 15 per cent in Ireland from its peak in the late 1970s. Total manufacturing employment in Ireland has fallen to some 200,000 from 240,000. According to the IDA 17,000 to 18,000 jobs are still being created in manufacturing industry as a whole but total job losses are running at around 20,000 a year.

The policy of trying to develop local food processing from the traditional areas of farming and meat boning in Ireland to "vacpac" packaging and direct sales to the consumer with much more Irish branding is likely to be helped by recent changes in the Irish food industry.

The co-operative based producers are rationalising, creating larger units with more marketing strength. The success in generating a more developed indigenous food industry in Ireland, however, will be partly governed by the speed of change in agriculture.

Industry has welcomed the plan to simplify the structure of agencies used in attracting and supporting inward investment and domestic companies. However the Government has recently sent out some confusing signals on this, upsetting the IDA by increasing the power of the Shannon Free Airport Development Company.

The outcome of talks with the IDA and other bodies on what kind of structure Ireland should have is still unclear.

Nick Garnett

Manufacturing industry

Bid to strengthen domestic links

THE NEED to nurture domestically-owned manufacturing companies is one of the biggest challenges facing the Republic.

The country's indigenous manufacturing base is small. It has no long-developed manufacturing culture, in partial contrast to Northern Ireland. It has no ingrained pattern of producing engineers in the Scottish tradition.

It has wasted opportunities in using its agriculture to develop a really significant food industry on the lines of that of Denmark or Holland. Ireland also faces the difficulty of generating businesses on the back of a tiny domestic market.

Many Irish businessmen, though, believe conditions might be right for some real improvement in this picture. The co-operative based food industry has been rationalising into larger units which should give it greater economies of scale and more strength to develop much more value-added processing and brand marketing.

The multinationals involved in engineering and consumer goods production have spawned over the past 20 years a range of well-trained Irish managers who might eventually form a nucleus for indigenous manufacturing. That has yet to show itself, though, and the country is still very short of home-bred senior engineering production managers.

Several electronics companies run by Irishmen trained by the large US high-tech companies in Ireland have emerged and some of these as-yet-tiny companies have growth potential.

Government-supported agencies are also trying to improve the linkage between domestic and multinational manufacturers on lines first spelt out in a 1983 White Paper in order to expand what are still rudimentary or non-existent supply arrangements.

There are at least three Irish-owned companies with an international name and presence:

●Jefferson Smurfit, the biggest company in Ireland with sales of over I£1bn, is now probably the world's sixth or seventh largest paper and board company. Founded by a tailor from St Helens, England, Smurfit has 33 paper mills worldwide, 72 corrugated case factories and almost 100 other plants.

●Waterford Crystal, the Waterford-based cut glass manufacturer, claims to be the largest company of its type in the world. Resurrected around 1950, after lying moribund for about 100 years, it is going through a difficult period of readjustment, with manufacturing and marketing changes after slumping profits. It is cutting a quarter of its workforce of 3,000.

●Glen Dimplex, started up by Mr Martin Naughton in Newry, Northern Ireland, but now based in Dunleer, Louth is a significant European producer of domestic appliances and heating equipment. Its brand names include Morphy-Richards, Dimplex and Burco. With sales of £300m and 5,000 employees this is is the largest privately-owned company in Ireland.

All three of these companies have made big purchases abroad over the past year or so. Smurfit took control of the Container Corporation of the US, Waterford bought Wedgwood, the UK pottery company and Glen Dimplex acquired Hamilton Beach, a leading US supplier of small domestic appliances.

These moves showed a healthy desire to broaden production and marketing bases. But they also showed how increasingly dependent these Irish companies are on offshore activities. Of Smurfit's workforce of almost 28,000, only 2,400 work in Ireland.

The country has a cluster of indigenous food processing companies. The Government is pushing this industry as part of its readjustments to industrial policy. It was delighted recently, therefore, when Anglo Irish Meats(Goodman International), a private beef processing and exporting company, announced an I£260m scheme to upgrade its processing capabilities. The IDA is contributing I£30m to this.

One big weakness of the Irish-owned food industry is the small size of companies despite a lot of useful rationalisation. In the 1970s, for example, there were 70 or 80 pigmeat processing plants but this is now down to a dozen. The IDA hopes it will further rationalise to seven or eight.

The most marked changes have been in businesses with their roots in the dairy industry. Some 300 creameries dotted the Irish landscape in the early 1970s, but the dairy industry now has six or so dominant co-operatives. The IDA believes this should come down to two or three.

These co-operatives include Avonmore in Kilkenny, Ballyclough at Mallow, Golden Vale at Charleville and the ones in Mitchelstown and Waterford.

The biggest company with its original base in the dairy industry is the Kerry Group. With its headquarters in Tralee, this company has shown impressive growth from its start in 1972 with I£150,000 share capital to a business with 2,000 employees and a turnover expected to be more than I£300m this year.

It has a relatively broad spread of products from skimmed milk protein to meat processing through its purchase of Duffys and Denny, both leading brand names in Ireland. It has trading relations with some of the world's largest food distributors and this year it acquired a plant in Milwaukee, Wisconsin, for the manufacture of protein ingredients for the US market.

Even this company, though, is small compared with the larger co-operatives in Denmark and the Netherlands. Coberco, the Dutch co-operative whose products now include soft drinks and baby food, has a turnover of more than I£1bn and Dairy Denmark has sales of around I£800m.

Mr Hugh Friel, joint deputy managing director at the Kerry Group, says further rationalisation of the Irish food industry will probably take quite a long time but size and marketing power are crucial.

"People do not understand the high cost of research and development," he says. "But as a nation we have to put a big effort into selling. There is not enough of the hard sell in this country."

Ireland has a range of small, indigenous companies in light engineering, plastics moulding and small components. These are generally tiny operations compared with the engineering multinationals operating in Ireland, like Garrett in turbochargers, Liebherr, the West German crane and construction equipment maker and Kromberg and Schubert in cable harnesses.

One interesting development is the re-emergence of vehicle building with Harris Assemblers, the Dublin-based distributors of Japanese Hino trucks.

Harris employs 130 assembling Hino trucks from 7 tonnes gross weight to 40 tonnes from knock-down kits. Mr Joe Hutchinson, the sales manager said Harris assembled some 900 to 1,000 trucks last year, a quarter of which were exported to the UK. Production this year will be about the same.

The company also started assembling Isuzu 7 tonners last year but said there were no plans yet to export them.

Ireland's shipbuilding industry collapsed two years ago with the closure of the Cork facility run by Verolme, a Dutch company. The IDA is in talks with a group of investors interested in resurrecting at least part of this business.

Ireland has had a long-standing clothing industry, but this has suffered a lot of contractions and closures with companies like Janelle and Doreen shutting their operations. Other companies like McGee appear to be doing very well.

Cement Roadstone is Ireland's largest construction company but the country also has a number of housebuilders, including Gallagher, the Abbey group and McInerney. Some of these companies have extensive building operations on the Spanish tourist coast.

Nick Garnett

Manufacturing of floppy disks at Verbatim's fully integrated plant at Raheen in Limerick

Scene from Sullivan Bluth studios' An American Tail, before its move from Hollywood

How Dublin acquired its own animation house

Drawing on Irish talent

ONE CLUE is the Santa Monica licence-plate on the car parked outside the modern building overlooking Dublin's Phoenix Park. Another is the six-storey building's rather glitzy decor.

Clues, that is, to the arrival in Ireland of a little slice of Hollywood in the shape of the Sullivan Bluth Studios.

Since June 1985, when the Sullivan Bluth company packed up its operations in the US and moved to temporary premises on the north side of Dublin Bay, Ireland has had a film animation industry.

Next year the first full-length animation film, made at the impressive Dublin studio to which Sullivan Bluth moved only late last year, will be ready for the cinemas.

The Land Before Time Began, a feature film crammed with cute-looking cartoon dinosaurs and made in association with producer Steven Spielberg of ET fame, has been produced almost entirely in Ireland.

This film, to be released next year, will be followed by another feature-length production as well as by animated TV commercials and video games which are already either produced or on the stocks.

The company already has on circuit its big box-office smash, An American Tail, the story of cartoon-mouse Fievel Mousekewitz and his emigration to the US in the 1880s. This was largely made before the studio moved to Ireland.

Some 60 animators and other production staff came over to live and work in Dublin. But of the 300 workforce at Sullivan Bluth, about 200 are Irish. They include four Irish animators - key people who act out a cartoon story idea, drawing the main poses that will make up the film - together with scores of Irish assistants, "in-betweeners", drawing artists, painters and other production people. By the end of the year the company expects to be employing around 380, of whom 300 will be Irish.

The Irish animation industry has rapidly entered the folklore of job creation in Ireland. It all began in the early 1970s, when three men, Don Bluth, Gary Goldman and John Pomeroy, all senior production men at the Disney studios, decided that cartoons just were not what they used to be.

They broke away from the Disney factory and started working instead in Bluth's three-car garage in Culver City, California, trying to start a business making the kind of complex, classical animated films which have been largely dropped by Disney because of the huge labour costs they involve.

"At one time, we had 26 people working in that garage and one toilet," says Mr Goldman.

Out of that inauspicious beginning came Banjo the Woodpile Cat, The Secret of Nimh (1982) and various video games. By the early 1980s, though, came a lot of problems too - with cash flow, distributors and eventually Chapter 11 of the US bankruptcy code.

Onto the scene came Morris Sullivan, a wealthy US financial consultant of second generation Irish extraction, his family emigrating from County Clare.

A new business was formed with his help but the problem still remained of how to make full animation films - rather than the TV-style limited animation cartoons - in a country suffering from rocketing production costs.

A lot of US animation work has now been outsourced by California and New York to Taiwan, Korea and other Asian countries but the Sullivan Bluth group was determined to keep things firmly in its own hands.

Offers to relocate in Australia, Canada, Spain and the UK began to emerge but at the last minute the IDA sneaked in through the back door and with an attractive financial package lured the Americans to Dublin.

It has been something of a wrench. The Irish winter has not been easy to cope with. Many of the US artists will work only with the brands of pencils and paper they have been used to, which means importing them from North America. "We found better paper coming out of Portugal but that company does not export it now. That was very frustrating," says Mr Goldman.

Making sense of the economy has also been tricky. "I do not understand the economy at all. It is expensive to live here but people do not get paid all that much."

There was also some suggestion earlier this year that the company was finding it hard drumming up venture capital money for its upcoming projects.

But Mr Goldman says the company has been very pleased with the move. Labour costs are about a half what they would have faced in the US. "The whole idea was to do quality work at a reasonable price to make a profit."

He has also been impressed by the quality of young people applying for jobs, 26 of whom were subsequently trained in the US.

"There is this incredible youth thing here. We require about 12 drawings a day from an assistant. At first they were struggling with three a day. Now we have some of them doing 30 drawings a day."

Nick Garnett

Electronics

Survival record is good

ELECTRONICS HAS been a fruitful recruitment ground for the Irish agencies working to attract inward investment.

Statistics collated by the Industrial Development Authority show that this sector, including telecommunications, employs about 24,000 in Ireland, contributing I£3.5bn in sales. All but 2,000 of these jobs are in foreign-owned companies.

Ireland has had some disappointments. It failed to attract IBM as a hardware producer though the largest computer company in the world has a marketing and some software operations in the country.

Ireland has suffered a few closures too, including last year that of Mostek, a memory-chip making subsidiary of United Technologies. The country's electronics industry is about half the size of that in Scotland with which it sometimes compares itself and a very large proportion of components and raw materials for the industry are imported.

Importation of components is inevitable but a surprising number of electronics companies in Ireland still bring in items, such as cabinets and other fabrication, which appear to be readily available in the country. Indigenous electronics companies have also been slow to develop.

Yet the electronics industry in Ireland, centred in Cork, Galway and Limerick, has some quite impressive characteristics and a very good survival record. Many of the big international names have production sites there. These include Digital Equipment Corporation (DEC), Wang, Apple and Nixdorf.

There has also been a steady progression at many sites from basic low-value added assembly to more direct engineering, product design and software development.

One of the most striking examples of this is Analog Devices, a US manufacturer of integrated circuits. The company employs 650 in Limerick and does all its own research and product development work on site, as well as developing hardware and test systems.

The Ireland operation accounts for a quarter of Analog's total yearly sales of $350m and its customers include IBM and Hewlett-Packard.

Several of the Irish operations of the big multinationals are the largest European production centres for some of their products.

Digital, which employs 1,900 in the country, has its largest European systems plant in Galway. This plant, which contains some very advanced manufacturing equipment, produces the full range of VAX products. The company also has a facility at Clonmel producing sub-assemblies and is now developing a detailed vendor system. "We are taking that seriously. We are here to stay," says Mr David Toohey, the company's manufacturing marketing manager.

Foreign-owned companies appear to adapt easily to working in Ireland. Nixdorf has a £20m plant at Bray, near Dublin, employing 410 assembling central processing units and keyboards.

The pace of work - putting together circuit boards - is probably a third that of a South Korean plant and the mainly female workers in this part of the factory do not strive to earn maximum bonuses. Basic pay on circuit board production is I£112 a week, but they can earn up to I£150 or so by hitting output targets. However they are averaging around I£132 a week.

Mr Jim Dorgan, a senior manager at the Bray site, says Nixdorf has been very satisfied with progress at the facility. "Bonus pay tends to go up closer to Christmas."

Mr Brian McAloon, a Scot who worked for National Semiconductor in the Far East before joining Analog Devices as managing director of its Limerick operation, says Irish engineers are proving to be as good as anywhere in the world.

He says, though, that local engineering-trained middle managers are non-existent. His biggest worry, however, is inretaining staff in the light of Ireland's very high personal taxes and relatively high cost of living.

Of Analog's staff of 650, 625 are Irish. "The most difficult task is finding ways of adequately compensating people," he says. "Everything you give them is taxed as benefit in kind. You cannot have taxes like this and hope to compete on a worldwide basis. It is a disincentive for people to stay here."

Mr McAloon says Analog runs a stock option scheme for some staff to try to circumvent this problem and pays more than comparable companies in the UK. Engineers in their late 20s are earning around I£22,000 a year.

The Irish are proud but nervous of the fact that many of their engineers are now working abroad - the most celebrated group being those at Philips in Eindhoven.

One central question surrounds the growth prospects for indigenous electronics companies. Many of these companies have been set up by people who developed their skills as engineers and managers working for the multinationals.

At least a half dozen companies have been formed by men who worked at some time or another for Telectron, an Irish manufacturer of telephone exchanges and which is now part of AT&T. One of the largest is Lake Electronics which employs 130 making small PABXs of its own design. One or two of its founders worked at Telectron but set up Lake direct from a stint in the Irish Post Office.

Ashling Microsystems employs 40 with a turnover of I£2m, producing microprocessor development systems. Its customers include Siemens in West Germany and Racal of the UK. Starting production at the end of 1984, it is now in profit. "I think the prognosis for the electronics industry in Ireland is excellent," says Mr Mike Healy, an Ashling director and a former employee at Wang which has its main plant on the same Plassey science park at Castletroy, near Limerick.

Next door to Ashling, Intepro makes test equipment for power supplies used in computers. The company made its first shipment in 1985, employs 52 and is expecting a turnover of about I£2.8m this year. Intepro, whose customers include Plessey, British Telecom and ICL, the UK computer manufacturer, is currently assembling a large test system for Boeing.

Ireland has a substantial number of software companies. ICL is one foreign-owned business that recently set up a software centre near Dublin. This centre, housed in an excellent building designed by ICL, puts together groups of software packages.

The country also has a number of indigenous software companies, including Microman, Glockenspiel and Generis. Mr Mahon Tampoe, managing director at ICL in Dublin which contracts out work to some of these companies, says the Irish software industry does not have the reputation it deserves.

"But marketing is a major issue here," he says. "Indigenous companies are weak in marketing. They do not have the finance to go on a marketing binge. The Irish software industry will survive or fail on the basis of marketing, not product."

Nick Garnett

Difficult times for Ireland's main opposition leaders, Mr Des O'Malley of the Progressive Democrats (left) and Mr Alan Dukes of Fine Gael

Foreign Debt

Urgent need to cut borrowings

FOR REASONS *which are not* entirely clear, the Irish general election, earlier this year, received much more international media attention than previous such occasions. Newspapers from Norway to Australia sent correspondents to report on the campaign and the state of the country. *Almost every serious* economic journal, including the Economist and Business Week, carried analyses.

By and large, the Irish did not like what they read about themselves. So negative was the publicity, that the Industrial Development Authority (IDA) despatched teams of officials to 'set the record straight' for potential investors.

The subject to which all the foreign *commentators kept* returning was Ireland's debt, and it is hard to blame them. A quick flick through the libraries *of Irish newspapers will throw* up some pretty scary statistics for any visiting reporter.

A recent analysis in the Irish *newspaper*, Sunday Tribune, put Ireland fourth in the world in *terms of* foreign debt per head. Since two of those above it were the tiny, oil rich states of Kuwait and the UAE, only Israel, in effect,ranks above Ireland. But Israel, too, is a special case, so perhaps the Irish can claim to be the true leaders of this dubious league. Foreign debt per head is, of course, a crude measure *of* indebtedness.But things are only slightly better when the more meaningful ratio of debt to GNP is used. Chile heads that table but Ireland ranks eighth, below Peru and Portugal, but ahead of 'problem debtors' such as Argentina and Mexico. South Korea, *interestingly, ranked 11th*, which proves the point even about this kind of measurement; that it tells very little *about* the *economic health* of the countries involved. Ireland itself, and its debt, have their own peculiarities. These make *snap comparisons* with Latin American debtors pretty meaningless and explain *why* Ministers and officials thought the *foreign media coverage unfair.*

The point they felt was often missed is that Ireland is still a successful voluntary borrower *on world capital markets. In* many ways, the growth of these markets and the increasing *range of instruments, has made* borrowing easier and cheaper. Some recent loans to Ireland have been below LIBOR, wheras *a few years ago* they were often 1 points above LIBOR. The Dept of Finance has taken further advantage of these changed circumstances to re*structure Ireland's foreign bor*rowings, by pre-paying existing, expensive loans and replacing them with cheaper, longer ma*turity ones. When Ireland began* this process in 1984, it produced some hostility from lenders, but is now accepted practice in the markets. The result has been to extend the maturity profile out towards the end of the century. By the end of last year, only 25 per cent of the debt was due to mature in the following five years, compared with 57 per cent in 1984 and the savings already amount to some I£80m.

Last year also, a programme of swapping from floating to fixed interest rates on dollar loans was launched, to give a *better balance* between the two. Dollar and DM loans each account for almost 30 per cent of the total I£10bn foreign debt, *but only 12 per cent of the* dollar loans are at fixed rates, compared with 73 per cent of the DM loans.

One result of the changes is that, despite continued high borrowing, the ratio of debt servicing to exports is expected to be 10.5 this year, compared with an average of 12.3 in the previous five years.

Not surprisingly, then, the official government information *booklet on Ireland contains a* section on the country's creditworthiness, pointing out that it obtained the top ratings from Standard and Poor's and Moody's for its $500m facility last year. Confidence is a fragile thing and finance officials refuse even to discuss world debt problems, for fear it should be thought they have something to do with Ireland.

They prefer to quote S and P's description of Ireland as a country which 'has a strong capacity to meet its senior, publically - held external debt service *obligations in a timely* manner, with only slight susceptibility to adverse developments.'

Unfortunately, this is not quite how things are seen in Ireland. One reason is that foreign debt makes up less than half of total government debt. Another I£12.5bn has been borrowed on the Dublin gilt market and, while there may be no currency risk, interest rates on the domestic debt are much higher. What the Irish taxpayer sees is that total debt servicing costs this year will amount to over *I£2.4bn almost as much as the* total to be collected in income tax.

Interestingly enough, the new Fianna Fail government has signalled that it also thinks domestic gilt rates are too high. It is about to launch stock denominated in European Currency Units (ECUs). This will give protection against changes in the value of the punt and carry a coupon up *to* 2 points lower than recent issues. But the government is also hoping the market will see this as a sign that it intends pegging the punt to the *value of the ECU, within* the EMS system, and be prepared to accept I£ gilts at lower rates in future.

During the election campaign, Mr Haughey indicated that he thought the management of the debt could be improved further, to bring down the servicing costs. One suggestion is to set up a special treasury unit in the Department of Finance specifically to do this job. Another is to parcel the debt portfolio out among up to 10 leading banks and finance houses and leave them the task of actively manag*ing it to keep servicing costs as* low as possible. But the pressing problem is not so much financing the borrowing requirement so long as gilt markets remain healthy or servicing the foreign debt, as maintaining a tolerable tax and public services structure while meeting the obligations. This is why talk has been heard in some quarters of renegotiating or even reneging on debt obligations.

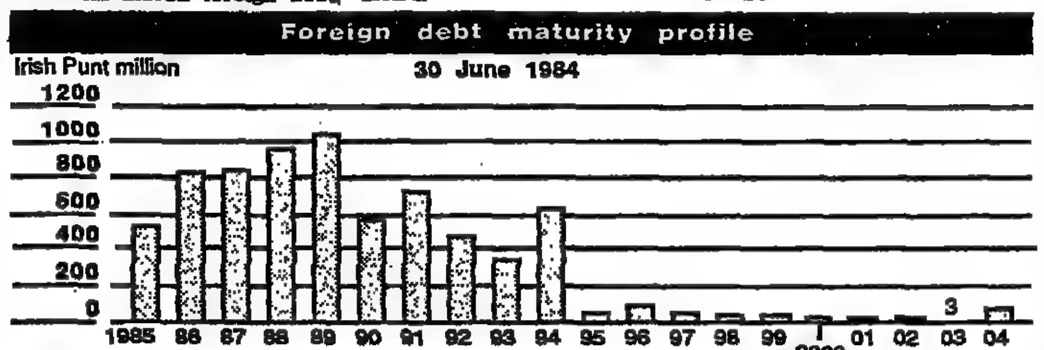
Such talk is foolish and need not be taken as a serious threat. For a start, with 60 per cent of the debt domestically held, the citizens would be reneging on their own pension and insurance funds. The very sucesses by the Dept of Finance's debt managers mean that any formal renegotiation with the bankers would be unlikely to produce better terms and would probably result in worse ones. The consequences of any default for Ireland, one of the most trade dependent countries in the world do not bear thinking about.

But the talk is understandable after seven years of apparently fruitless wrestling with the public finances. The perception that the poor and the sick are making sacrifices for the bankers could be politically dangerous.

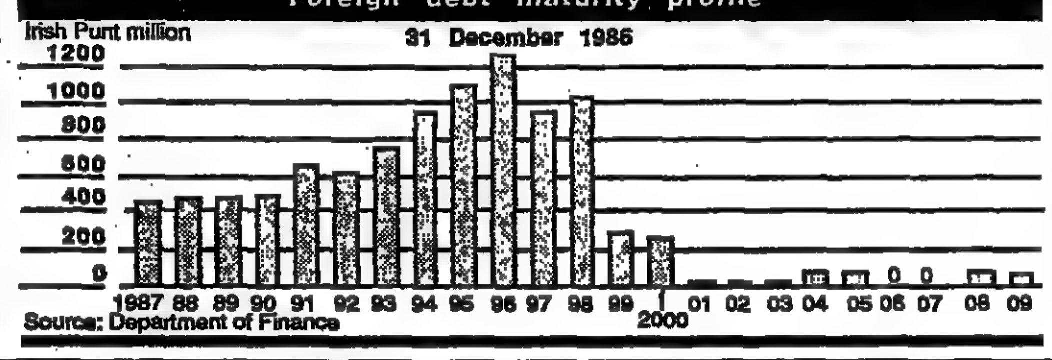
This is the real reason, rather than external pressures, why time is running out for Irish governments. The present objective is the fairly modest one of *at least halting the growth of* debt as a percentage of gross national product (GNP). The ratio already exceeds 150 per cent *and the fact that even this year's* tough budget will not be enough to prevent a further increase shows both the urgency and the *scale of the problem.*

Brendan Keenan

Foreign debt maturity profile



Foreign debt maturity profile



Source: Department of Finance

Politics

Opposition dogfight benefits Mr Haughey

THE PATH of Irish politics took a dramatic twist in last February's general election.

The shift was provided by the emergence of a new party called the Progressive Democrats which, preaching a radical brand of market economics and promising an alternative to the historical rivalries of Fianna Fail and Fine Gael, the two biggest parties, took nearly 12 per cent of the vote on its first outing.

Under Ireland's single transferable vote system of proportional representation, this made the *PDs*, led by Limerick lawyer Mr Des O'Malley, the third biggest party in the *Dail*, the lower house of parliament, with 14 seats.

More significantly, the newcomers effectively deprived Fianna Fail of its expected overall majority and accounted for most of the alarming slump in support suffered by Fine Gael, which for the previous four years had been in coalition with the Labour Party.

Fianna Fail formed a minority government, but its share of the overall vote actually declined from 1982. Party leader Mr Charles Haughey had failed for the fourth time to gain a majority. Fine Gael had not suffered such a setback for 30 years and its leader, Dr Garret FitzGerald, resigned, ending nearly a decade of Haughey-FitzGerald dominance.

The result was better than the PDs could have hoped for in their quest to "break the mould" of Irish politics, a mould characterised by the battle between Fianna Fail (Soldiers of Destiny) and Fine Gael (Tribe of the Gaels) almost since independence from Britain in 1922.

The Fianna Fail-Fine Gael rivalry was - and to a large extent still is - based on the split in the ranks of nationalists over the terms of independence rather than clear political ideology of a conventional left-right type. Fianna Fail, *founded by* Eamonn de Valera, was the party of those who initially rejected the partition of Ireland and *Fine Gael* grew out of the side that accepted the partition treaty.

It is still a moot point, however, as to how much the mould has really been cracked by the PDs. This is because their recipe for dealing with the country's entrenched economic difficulties - by far the most important political issue - differs only in detail from those of Fianna Fail and Fine Gael. All three are conservative, favouring private enterprise and a cutback in state spending.

Ironically, Fianna Fail, from which the PDs first sprang, may well turn out to be the main beneficiary of the rise of the new party.

Mr O'Malley was a *Fianna* Fail cabinet minister before he fell out with Mr Haughey and left the party in 1985, taking a number of anti-Haughey dissidents with him. But instead of weakening Mr Haughey, the departures ended a period of uncertainty over his leadership and consolidated those who remained behind him.

At the same time, the PDs drew most of their electoral support from erstwhile Fine Gael supporters disillusioned by the coalition with Labour and Dr FitzGerald's failure to put the economy right.

Now that Mr Haughey is pursuing policies essentially approved of by Fine Gael and the PDs, those two parties are in the difficult position of trying to show voters how they would do things better. A senior PD policy-maker described his party's task now as one of defining "product differentiation."

Mr Haughey knows that he will be vulnerable to attack from the PDs and Fine Gael if his policies fail to show an improvement in the economy or if he does not stick to the austerity line. But for the time being he is benefiting from the dogfight between the two opposition parties as the PDs try to consolidate their successes and Fine Gael tries to claw back what it *lost to Mr O'Malley.*

To lead their recovery, Fine Gael chose as their new leader Mr Alan Dukes, a lanky, bespec*tacled former Finance Minister* who entered the Dail only in 1981.

Although an able technocrat *and polished television* performer, Mr Dukes lacks raw political experience and has made a rather lack-lustre start to his job. *The summer parliamentary* session ended for him on a humiliating note when Mr Haughey successfully called his bluff on a key Dail vote that could have toppled the Government.

A central problem facing Fine Gael, with 30 seats fewer than Fianna Fail, is how it can rebuild itself into a credible alternative government now that the prospect of a return to coalition with Labour looks out of the question. A coalition with the PDs is the obvious course, but neither party is keen and even their combined total trails Fianna Fail by 16 seats.

That the old Fine Gael-Labour alliance seems for ever broken is another side-effect of the advent of the PDs which exposed the essential ideological paradox of the coalition.

There is now a clearer left-*right split in Irish politics*, but the left remains very small and divided. Socialism has never been a popular creed in Ireland *where it has* always faced the hostility of the powerful Roman Catholic Church. The left has also failed to make a convincing case for greater state involvement in the economy at a time of huge public deficits and debts.

The moderate Labour Party is the biggest group on the left but its share of the vote has slipped badly in recent years. Its traditional rural base has not made it easy for Labour to build support in the big urban centres like Dublin.

Urban decay has proved quite fertile ground for *the Marxist* Workers' Party but it has less than 4 per cent *of the overall* popular vote.

The other left-wing party, Sinn Fein, the political wing of the Irish Republic Army, made little impression in the election, winning less than 2 per cent of the vote. It foundered on the difficulty of persuading people in the Republic, who are pre-occupied with economic issues and mostly opposed to IRA violence, to support a party mainly engaged in armed insurrection in Northern Ireland.

Hugh Carnegy

State of the parties after '87 election

	SEATS	% VOTE	% CHANGE FROM '82
Fianna Fail	81	44.1	−1.0
Fine Gael	51	27.1	−12.1
Prog Dem	14	11.8	—
Labour	12	6.4	−3.0
Workers Party	4	3.8	+0.5
Independents	3	(6.8)	(+3.7)
Speaker	1		
TOTAL	166		

Energy supplies

A problem of mismanagement

DUBLINERS HAVE a daily reminder that *all* is not well with the country's ,energy policy. It comes in the shape of more than 2,000 holes dug by the gas company in an emergency programme to replace and repair the Victorian pipe network to take supplies of natural gas. The replacement, which should have been foreseen and planned, only began when a number of explosions and fatalities shook public confidence in the industry.

But something even more extraordinary, at least from a *financial point of view*, has been happening. Some large industrial companies have found it pays them to switch to natural gas and instal their own generators to make electricity from it, rather than buy power from the grid. Since both the electricity board (ESB) and gas board (BGE) are state utilities, someone has clearly got their wires crossed somewhere.

At the heart of both problems lies the *mismanagement* of Ireland's only commercial hydrocarbon discovery to date, the Kinsale Head natural gas field. This was equivalent to an oil find of 200m barrels a substantial figure set against Ireland's energy requirements. But the decision on what to do with the gas took too long and the result has been much recrimination and misallocation of resources along the way.

Most of the output from Kinsale has been used by the ESB to generate electricity. This was the only way large quantities could be sold in the early days. It also helped keep electricity charges down, and contributed to the balance of payments, after the oil price rises of 1979.

However, gas is a primary energy source, and a decison was taken to build a pipeline to Dublin, the only market which could provide enough primary domestic, commercial and industrial customers. Early hopes of extending the pipeline to Belfast fell through when the two governments could not agree a formula on pricing.

The Dublin Gas Co., founded by the author of Catholic Emancipation, Daniel O'Connell, was showing its age. Despite oft-repeated promises of reform, and several hundred redundancies, the latest report on its activities show it is still bedevilled by poor management and restrictive trade union practices.

These weaknesses, not unknown in other gas utilities, might have been hidden behind the profit figures if energy prices had remained high. Once they fell, the company was unable to meet its sales and revenue targets or to service the large bank borrowings undertaken to pay for conversion to natural gas.

The company went into receivership and was taken over by BGE, the state supplier of natural gas. That, along with a couple of smaller deals, left BGE as the sole gas undertaking in the country. There were angry complaints from directors of Dublin Gas that the then Labour Energy Minister Dick Spring had encouraged the process.

Even so, it will be a long time before BGE and the government see any return on the gas investment in Dublin. As well as the problem of low world energy prices, there is a basic supply and demand imbalance, with more gas needing to be sold, to maintain revenues, than the market can easily absorb. Hence the need to sell it to industry at prices which neither the ESB nor the LPG industry can match.

BGE gets the gas from the producer, Marathon Petroleum, at an undisclosed price, but one which is known to be much lower than prevailing world rates. Marathon has been unhappy about this for years, and a legal squabble over contracts and the price to be paid for supplies beyond the original agreement is still before the courts. But the low price means BGE can undercut its rivals and still deliver much needed profits to the Exchequer. However, Kinsale supplies are running down, and will come to an end by the turn of the century. Ireland is now committed to natural gas as a key part of its energy mix and must soon start thinking about replacements. Industry lore has it that a consortium headed by BP has found a smaller gas field in the same area off the south coast, but is unwilling to develop it until it can be sure of a better deal than the Marathon one. In the circumstances, it is likely to get its way and the present Energy Minister, Ray Burke, has hinted that a commercial discovery could be declared later this year.

Beyond that, consideration will have to be given to construction of an undersea pipeline, probably to Wales, but possibly via Northern Ireland to the shorter sea link to Scotland. With natural gas now one of Europe's most plentiful energy sources, Ireland will want to tap into the network if it cannot make more substantial discoveries off its own shores. Even if it does, a pipeline would again open the possibility of exports. Prices have also been the subject of a row between the government and the ESB, with the government claiming that electricity charges could be reduced by 10 per cent and the electricity board claiming this would lead to eventual bankruptcy.

The ESB has put a lot of effort and money into diversifying from the almost total dependence on oil in the 1970s. Apart from natural gas, the construction of the coalfired station at Moneypoint on the Shannon is largely responsible for the slice of national energy requirements now taken by coal. The importance of coal will increase further as the last of the three units at Moneypoint comes on stream.

The heavy capital investment programme, though now complete, has left the ESB with borrowings of I£2bn., much of it in foreign currency. However, the ESB , under the 60-year old legislation which established it, makes very conservative provisions against these borrowings, setting aside both depreciation on its plant and an amortisation charge against the loans. Ministers argue that, with no new power stations planned for this century, the board could afford to be a little less cautious and pass on some benefit to consumers now. So far, the tough minded ESB chairman, P J Moriarty, seems in no mood to agree.

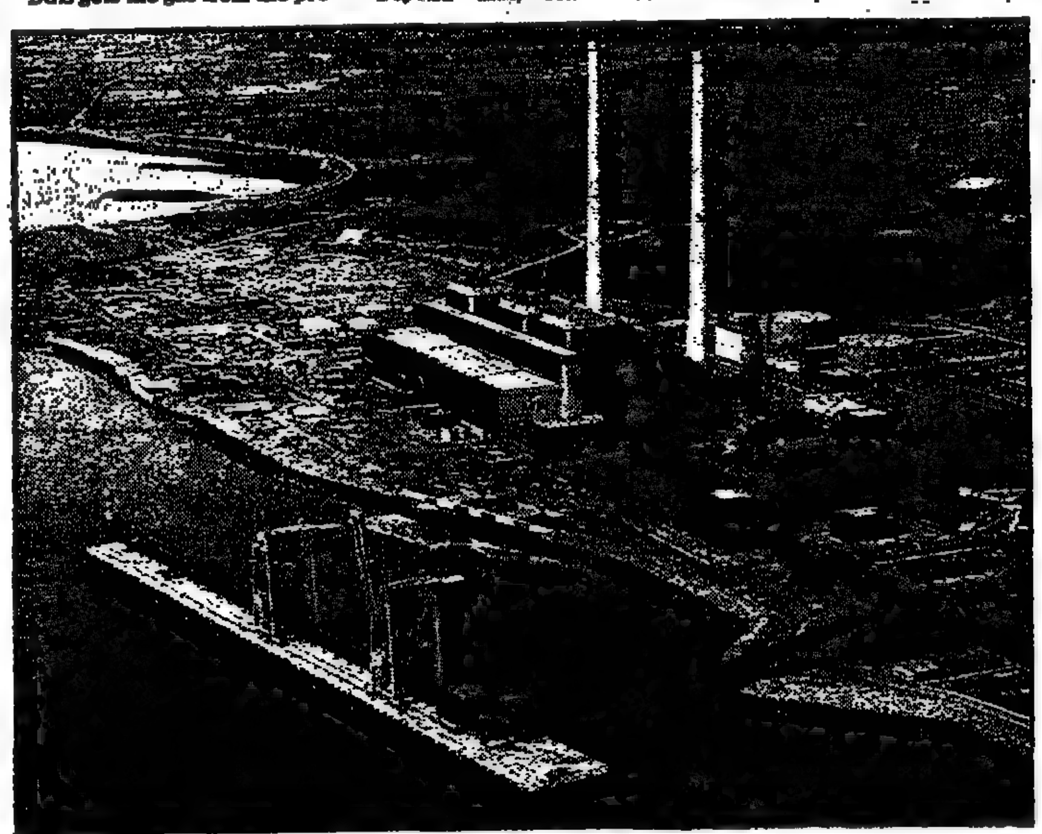
Electricity charges for industry are among the highest in Europe, but Mr Moriarty argues that this is partly because the domestic consumer is relatively well treated. He also points to the hidden taxes on electricity ,through duties on fuel oil and rates on power stations. The ESB also has inbuilt disadvantages because of the small size of the grid, lack of cheap nuclear power and the absence of an interconnector to provide reserves since the IRA blew up the North-South link in the early 1970s. The ESB also maintains expensive peat-burning stations,which are the only way to use the resources of the peat bogs. The peat industry is a substantial employer in the midlands, but the peat too will be exhausted round the turn of the century.

Meanwhile, the search for further hydrocarbons off Ireland's coasts has run out of steam, despite offers of more favourable terms from the government. Irish exploration companies, born in the sometimes frenzied optimism of the 1970s, have mostly gone off to look for minerals, either in Ireland or overseas. One, Aran Energy, bought into the North Sea with the acquisition of the Petrolex company, and has stakes in what may be two substantial discoveries.

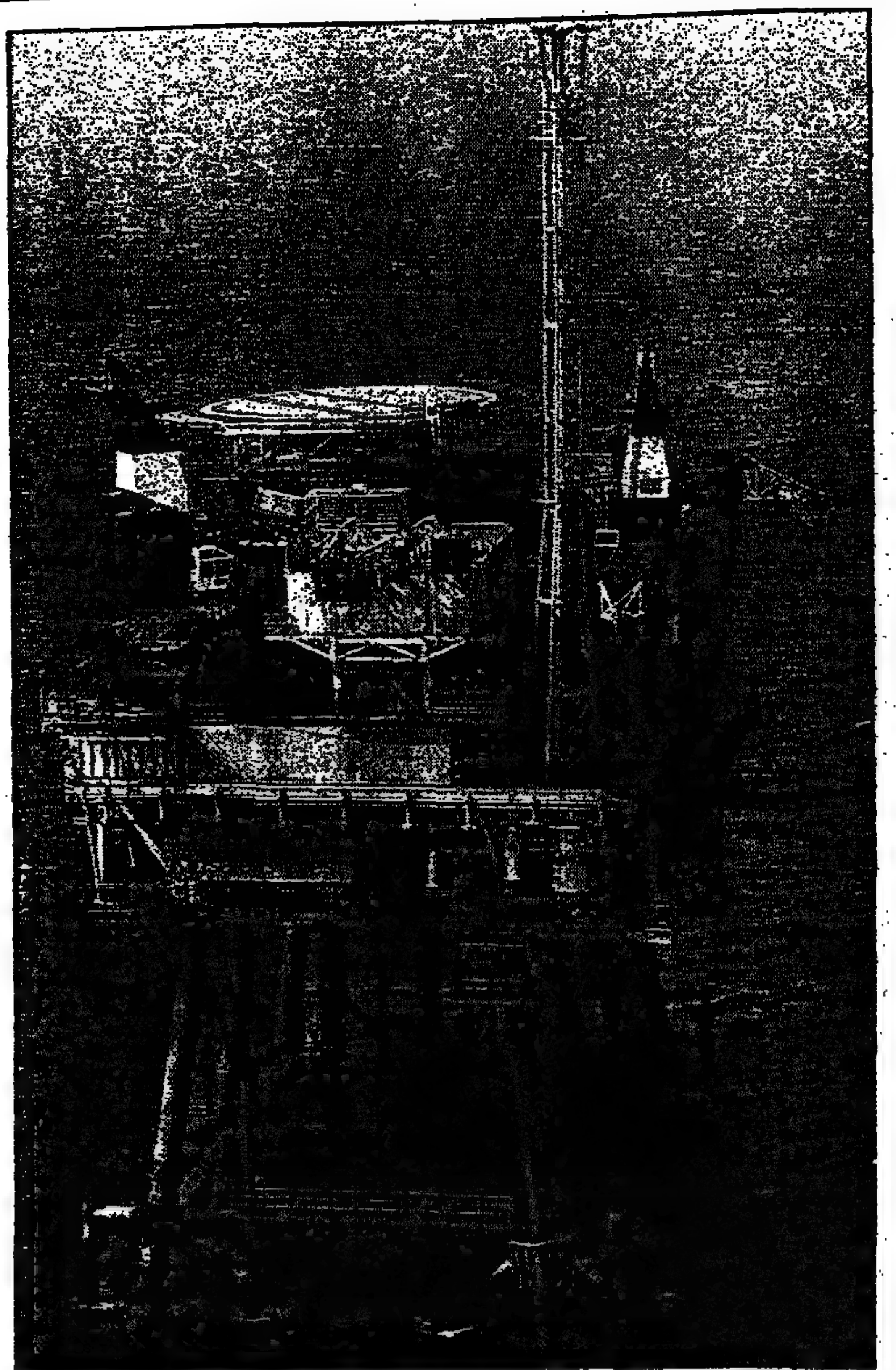
There was grave disappointment in the summer when a further well near the discovery made off the south coast in 1982 turned out dry. BP was the operator and, while the main Irish partner, Atlantic Resources, has not abandoned hopes for the prospect, a major rethink on the south coast potential is under way.

A recent document from BP was a reminder that there probably are substantial oil reserves in the deep waters off the west coast, but they must wait until oil prices rise through the $30 a barrel level again. The brightest feature of the energy scene is that Ireland is in a better position to face a new rise in oil prices than at any time in the past. As well as those reserves of expensive oil, the coal-fired plant and the natural gas network will greatly reduce the effect of any future oil shock. The hard pressed men in the Department of Finance, thinking of the potential gas revenues, might even welcome one.

Brendan Keenan



Moneypoint coalfired power station on the Shannon: increasing the importance of coal in Ireland's energy mix



Kinsale Head natural gas field: most of the output has been used to generate electricity

Farming

Struggle to arrest decline in output

THE SUN has shone on Irish farming this year, a little weakly certainly; but enough for a few warming rays to be felt, both metaphorically and literally.

A return to more normal weather conditions after two successive disastrous summers, a modest lift in farm prices and reductions in costs led An Foras Taluntais, the agriculture institute, to say in its latest update that 1987 provided "some respite from the gloom that has pervaded the sector in the past two years."

But alongside its predictions of a rise of around 15 per cent in the value of agricultural products and farm incomes were sober warnings.

Farm incomes in real terms have halved since 1978 and remain well below 1984 levels. The institute adds that it will be difficult to maintain 1987 income levels next year. Output is also set to decline next year as EC agricultural reforms take effect.

City dwellers have grown weary and cynical about farmers' tales of woe, especially at a time when the economy as a whole in in such difficulties and unemployment is so high. But there is no denying that Irish agriculture faces deep-seated problems which have profound consequences for the national economy.

Agriculture still accounts directly for some 15 per cent of the total workforce and more than twice that when all associated employment is taken into account. It contributes more than 20 per cent of exports and around 10 per cent of Gross Domestic Product.

All these figures are well above EC averages and this relatively great importance of agriculture in the national economy has made Ireland acutely sensitive to and reliant on the Common Agricultural Policy. Last year, the Community put I£950m into Irish agriculture. The agriculture institute estimates that EC subsidies to farmers make up 15 per cent of farm incomes nationally.

Ireland is also unique within the EC in that 78 per cent of its farming production comes from milk and beef, exposing it greatly to milk quota allocations and beef price restrictions imposed as Brussels struggles to control surpluses.

Over the past two years, it has been difficult to disentangle in what proportion EC policy, the weather and the general economic malaise have caused the negative trends in farming.

When the EC introduced the milk super-levy system in 1984, Ireland won considerable concessions because of its special position. It was not spared when a 6 per cent cut in milk quotas was agreed for this year, although the effect of the weather on output last year means that the quota cut will represent only a 4 per cent cut on 1986 production figures.

With further milk quota cuts and beef price restrictions in the pipeline, the agriculture institute expects a decline in both milk and beef production of around 8 per cent between 1986 and the end of the decade.

One predicted effect is a fall in national herd numbers, reducing the supply of beef to the processing industry which the Government is busily trying to expand and improve to gain more added value.

Mr Joe Rae, the outspoken president of the Irish Farmers' Association, while vociferously fighting a rearguard action on EC supports, recognises that surpluses have to be tackled. He regards the way forward as a system of managing supply within the Community to match market demand, partly by paying farmers to get out of surplus products, as is happening under the milk quota scheme. Like the Government, he also attaches great importance to a promised, though still not agreed, increase in regional funds from Brussels to poorer peripheral rural regions.

In plotting a return to prosperity, Mr Rae attaches as much, if not more, importance to getting domestic economic factors right than to the CAP regime. He is therefore encouraged by the tough fiscal approach of the Fianna Fail Government which has helped get interest rates down.

But the main rates applicable to farmers remain in the 12-15 per cent bracket, well ahead of most EC levels. Interest payments by Irish farmers account for more than 20 per cent of national farm income.

Above all, the message from the Government, the IFA, the Agriculture Institute and every other interested party is for Irish farming to become much more consumer-oriented and less reliant on EC support mechanisms. "Turning Irish milk into butter and skimmed milk is like turning steel into Model T Fords. People don't want to by Model T Fords any more," says Mr Rae.

More sophisticated processing, product development and new products are being sought in all areas to raise the price earned. Much attention is being paid to marketing and capitalising on an image of Ireland as an unpolluted source of fresh food.

Progress has been made, for example, in the shift from a traditional reliance on live cattle exports towards increased processed meat exports. Vacuum-packed beef exports last year were up by 45 per cent. But live cattle and bone-in meat account for the bulk of beef exports and on the milk side, EC intervention means that producing butter and skimmed milk is still often more profitable than expensive development of value-added processing.

Proposals have been approved by the society of co-operatives to streamline their nearly 60 co-ops into three major organisations to improve efficiency and product development, but there is a long way to go before the plan is implemented.

Outside the beef and milk sectors there is room for diversification in areas such as forestry and sheepmeat, the latter already growing in output. Market gardening, vegetable growing and farm-tourism are other areas which offer possibilities. But they are regarded as marginal.

Irish agriculture is expected to remain grass-based, divided geographically into the poorer north and west where the traditional small farmers will continue to rely on subsidies to exist and the big commercial capital-intensive farmers of the more productive south and east.

There is a hope that individual incomes will stabilise by 1990. The struggle will be to try to arrest an absolute decline in the value of output.

Hugh Carnegy

Some 78 per cent of farming production comes from milk and beef

Transport

Air price war hits sea route traffic

Air and sea traffic between Ireland and Britain has undergone a major revolution in the past year. Sharply reduced air fares have created hundreds of thousands of extra passengers for the airlines - most of them tempted away from the cross-channel ferries. Irish emigrants who once would have taken the boat to Britain now catch the plane. The Irish Airports Authority, Aer Rianta, is forecasting that over 5m passengers will pass through Dublin, Shannon and Cork airports this year, compared with 4.1m only two years ago. In the first eight months of this year alone, the State airports handled an extra 600,000 passengers, most of whom were taking advantage of cheap fares to travel to and from Britain. Fares started falling in May 1986, when a new independent Irish airline, Ryanair, was launched by the two sons of Mr. Tony Ryan, found and chairman of GPA, one of the largest aircraft leasing companies in the world. Instead of the complicated fare structure offered by Aer Lingus, British Airways and DanAir, the new airline on the Dublin-London route had only one fare - an unrestricted rate of £85.00.

The big carriers immediately dropped their Tourist-Class fares, half expecting to be able to raise them again when Ryanair went out of business, the same way as a previous challenger, Avair. But Ryanair has gone from strength to strength and next year will seek a stock market quotation in both Dublin and London on the Unlisted Securities Market.

Such was Ryanair's success that another low-cost airline offering cheap fares, Richard Branson's Virgin Airways, moved on to the Dublin-London run this summer to make life even tougher for the established carriers. Ryanair and Virgin have now captured most of the youth market which traditionally went on the seaferries.

The Irish Airports Authority has been heartened by the ferocious competition and its chief executive, Martin Dully, points out that the Dublin-London experience has demonstrated that lower air fates can produce a significant growth in passenger numbers. There is a new dynamism in air travel today and that's an invigorating change from the relative stagnation in Ireland over the last ten years he says.

But the cheaper air fares have had a traumatic affect on the two sea ferry companies, B + I and Sealink, which have lost a large proportion of their walk-on passenger traffic. The reason is simple. The cheapest round-trip airticket between London-Dublin this summer was £57.00, only 8.00 more than the lowest ship and rail ticket. The air trip takes about one hour, the overland journey nine hours.

Though the ferries fought back by drastically reducing their fares, they nevertheless lost ground and when the going got tough they had to rely onpassengers travelling with cars. By the end of July, the ferries' share of the overall market had declined from 60 to 51 per cent. The loss of business by the ferries has been particularly damaging for the Irish state-owned B + I Line which has accumulated losses of I£50m, and estimated losses of about I£14m this year.

To stay in business, the company plans to halve its workforce and cut the pay of the remaining 730 workers by upto 12.5 per cent. Its main passenger route between Dublin and Liverpool will be discontinued along with the container service from Dublin to Fleetwood. Even if the survival plan gets Government approval, B + I along with Sealink, stand to lose further market share as the newer airlines open up additional routes to Britain.

The arrival of Ryanair and Virgin has also posed serious problems for the State-owned Aer Lingus which needs much improved profits to replace its ageing fleet. The Government is unwilling to provide the necessary funding so the airline is to consider selling off a minority shareholding to institutional investors.

The eventual course to be followed will not be decided until Aer Lingus knows what benefits will accrue to it from a more liberal EEC air transport Policy. The Irish Government is to open talks with a number of EEC member states in the hope of implementing part of the package of airline reforms which were agreed by Transport Ministers before Spain blocked the entire deal on July 1st.

The Irish Transport Minister, Mr John Wilson, is particularly anxious to rescue elements of the agreement which would have allowed Aer Lingus and Ryanair to pick up and drop off passengers at British airports on route to their main destinations. Aer Lingus enjoyed similar rights through Manchester up to 1977, when it was forced to drop services to Paris, Rome, Zurich, Dusseldorf, Frankfurt, Copenhagen and Brussels.

Under the EEC package, the Irish carriers would havebeen entitled to pick up 30 per cent of passenger loads at one major airport in member states to which they fly as well as at many regional airports like Manchester and Birmingham. In return for these rights, the Irish would have to contend with greater competition on the lucrative Dublin-London route.

The Irish side admit that Britain has shown no sign of making concessions in advance of the next stage in the European Commission's plan to introduce some form of deregulation. As evidence of this intransigence, the Irish Minister points to the refusal of the Civil Aviation Authority to sanction a direct service by Ryanair from Cork to London.

Despite the refusal, Ryanair has still managed to operate the service for the past three months by rerouting flights through Dublin. Their aircraft literally touches the ground at Dublin airport each day to fulfill technical requirements before taking off again for London. The manoeuvre, know as a touch and go operation, costs the airline £2,500 per round trip and adds 25 minutes to the flight time.

Ryanair has also confounded the critics by running successful jet flights six days a week between London and Knock, the world's most unlikely international airport built by a parish priest in the remote boglands of the west of Ireland. The majority of the passengers are emigrants now living in Britain. Before the £12m airport was opened, most of them made the trip by boat or plane to Dublin followed by a 4-hour cross-country journey by car, train or bus. The plane journey takes an hour.

Jack Fagan

Tourism

Cashing in on millennium shindigs

TOURISM, IRELAND'S third largest source of revenue, will get a boost from the celebration of Dublin's millennium in 1988.

This is not a completely arbitrary choice of dates, since the Celtic chieftain Mael Sechnaill reclaimed the Norse sea fort Dyflyn, in 988; but the Norse had first settled the site at the mouth of the Liffey, whose name means "dark pool" in Norse, in 841.

The millennial celebration will last all year, starting with a *Millennium Suite* composed by Raymond Deane to be performed at the New Year's concert at the National Concert Hall. Special sport, social and cultural events will culminate in December 1988, with a conference on Dublin: The Next 1000 Years. By then, the *ersatz* origins of the celebration will no doubt be forgotten.

Not only are the Irish shameless in their pursuit of tourists, but they are always dogged. Cheap fares may be sufficient to lure visitors from Britain and the Continent, but more determination and imagination have been applied to get Americans to include Ireland on their European itineraries.

The millennium will include, in October 1988, an American football game between two university teams, Boston College and Army, in the 53,000-capacity Lansdowne Road Stadium in Dublin.

Such blatant appeals to Americans have proved extremely successful in the past. To boost tourism in the off-season, Mr Ken Block, of Matterhorn Travel in Maryland, devised a shopping weekend with the co-operation of Irish department stores, hotels and Aer Lingus to bring the price of the package down to a rock-bottom $499 for three nights, covering Dublin, Cork and County Clare.

The tour, including flight, accommodation and meals, has nearly doubled its bookings from 3,500 the first year to 5,000 last year, its second. This year, Aer Lingus is organising a similar Pub Tour of Ireland for the same price in an effort, according to Mr Simon O'Hanlon, an Irish Tourist Board official in New York, "to provide specialised products for diverse people, particularly in the off-season."

This appeal to money-conscious Americans belies the underlying economic benefit to Ireland of these transatlantic tourists, who spend so much when they get there. In 1985, before the drought of American tourists in 1986, 392,000 Americans visited Ireland and spent I£178m, I£6m more than the 1.1m British tourists. Americans' need of transport in Ireland accounts for much of the difference whether hiring a car, or, more usually, joining coach tours that include accommodation and meals. "Americans are more likely to eat out than buy something in shops and take it back to the hotel room for meals", according to Mr O'Hanlon.

An extensive exit survey of visitors has also revealed that the social class of American visitors is 53 per cent managerial and professional, compared to 36 per cent of British tourists and 46 per cent of European visitors. Aer Lingus encourages the trend with a recently-introduced Emerald Holiday individualised package that, for less than a first class New York-London return ticket, provides the ticket as well as a week's stay at famous Irish destinations like Dromoland Castle and the hire of a Mercedes for the period.

Realising that half of the Americans include Ireland on a trip to Britain, the airline has a co-operative arrangement with TWA for a return flight direct from London. With business and first class fares $400 to $600 cheaper each way on inter-continental flights, Aer Lingus makes the most of its co-ordinated schedules with domestic US carriers for 104 American cities, in addition to its own flights from Boston and New York.

Having suffered a 21 per cent drop in American visitors with the rest of Europe in the summer of 1986, Ireland has seen a rebound of 20 per cent so far this year to match the last record year, 1985, when tourism earned the country I£954m. Accounting for over 6.3 per cent of all exports in 1986, tourism provides 91,000 job equivalents, which is 10 per cent of non-agricultural employment and 5.3 per cent of GNP. The multiplier effect of further spending raises the full impact on the economy to 7.5 per cent of GNP, according to Irish Tourist Board statistics.

The contribution, however, is not evenly divided across the country. Dublin and the South-West get the lion's share of the tourists and tourist revenue. "Other parts, like Sligo and Donegal in the North and the Midlands, do not feel they get their fair share," admits Mr O'Hanlon, but the tourist board argues: "There's nothing we can do about it. It is hard enough satisfying the generic need without having to cater to specifics. We have to treat the whole country as a geographical area, not the regions." A recent advert did feature the Shannon River in the Midlands, but most remind visitors of familiar sights in Cork or the Cliffs of Mohr in the South-West.

With an overseas budget of I£22m, down 3 per cent from 1985, the Tourist Board cannot indulge in television advertising, either. "We don't have the budget of an Australia," Mr O'Hanlon says, referring to a recent campaign featuring Paul Hogan, which served to boost not only Australia but also the film, Crocodile Dundee, in which he starred.

Instead, the Irish Tourist Board in New York spends 40 per cent of its $5m budget on advertising in upscale magazines with smaller amounts for tourist-agent and journalist visits. It also produces a brochure for the trade, Ireland's Eye, which, because of the expense, is being scaled down, and a bi-monthly magazine, Ireland of the Welcomes, which, with its $12 subscription price, actually realises a small profit.

The tourist board also supplies video-cassettes for travel agents and groups and, for a fee, for potential travellers who ask for them. It has, in addition, co-operated in the production of commercial travel cassettes on Ireland, one of which is now widely available in a large American bookshop chain, Waldenbooks.

The surveys have shown that 70 per cent of visitors are of Irish extraction. Mr O'Hanlon wishes they would take their genealogy more seriously. "Most visit the town of their origins and kick round the local cemetery," but do not take advantage of the services that can help trace family ties. The Chief Herald's Office in Dublin is geared up for tourist inquiries, but the need for visitors to find out as much as possible at home first deters all but the most determined.

Boosting family visits would be a way to counter another overwhelming statistic, that the vast majority of visitors are on their first visit to Ireland, the reversal of which could do wonders for the whole economy.

Frank Lipsius

Dublin's O'Connell St and the bridge across the Liffey: a magnet for tourists

Men on the Isles of Aran carrying a currach ashore

SECTION IV

FINANCIAL TIMES SURVEY

Science Parks

Science parks in Europe and the US are helping to link industry with academic research and thus promoting economic regeneration at many levels. Although most of these developments are still in their infancy, they show great potential, as **Alastair Guild** reports here.

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Medical scientists test blood samples at Surrey Research Park

Picture by Trevor Humphries

Much scope for growth

SCIENCE PARKS have caught the imagination of universities and polytechnics, industry, local authorities, development agencies and property companies. Their interests in this growing phenomenon have been disparate and varied.

For institutes of higher education (HEIs) and industry, collaboration in the development of new products and technologies has been the driving force. Cuts in university funding prompted HEIs to scrutinise ways in which they might capitalise on the application of their expertise to the benefit of industry. Those universities to have developed parks on their own land and out of their own funds, such as Surrey, Brunel, Cambridge and Heriot-Watt, stress the value of being able to decide the pace and direction of development without interference from outside.

Nevertheless, two-thirds of the £100m invested to date in UK science parks has been provided by the public sector, according to estimates from the United Kingdom Science Park Association. Local authorities and development agencies, involved in partnerships with HEIs to develop parks, generally in areas where traditional industry has been in decline, saw parks more as catalysts in helping to change the industrial climate of a region.

In Scotland, for example, the Scottish Development Agency has invested some £8m in parks in Glasgow, St Andrews, Heriot-Watt and Stirling. The Welsh Development Agency and English Estates are also important agents in science park developments in their regions.

There is now concern that constraints on public expenditure may hold back the further expansion of those science parks dependent on public investment. UKSPA suggests there is a need to spend £50m a year to sustain present rates of growth, whereas over the past five years total investment in science parks has been £100m. It is starting to look at sources of private sector investment other than pension funds and insurance companies, armed with research conducted last year showing the considerable growth of tenant companies on science parks.

"A heartening development has been the increasing involvement of private developers," says Jean Currie, author of Science Parks in Britain. "The question is how far this new growth can be fostered."

She quotes the examples of Barclays financing an initial incubator block at Warwick, Prudential backing for the South Bank Technopark, and an incubator block at Surrey financed by Grand Metropolitan Biotechnology.

The two science parks to lead the way in the UK were essentially university-funded initiatives. The first was developed by Heriot-Watt, early in 1972, followed some 10 months later by the Cambridge Science Park. No further parks were developed in the UK until 1982.

By the middle of 1984, eight were in operation. During 1985, a third wave started to come on stream. The UK now has a total of 31 'true' parks, with several others in the final planning stages. That compares with more than 150 in the US and about 20 in France. And there are parks being created in other countries, as well.

But there is in the UK at least an equal number of developments, calling themselves variously business parks, high technology parks or science campuses. Then there are business innovation centres (BICs), designed to help small companies grow and develop innovative ideas.

"The essence of a 'true' science park is that there is a centre of academic expertise from which companies on the site can draw benefit and that there are mechanisms to assist them to do so," says Mr David Rowe, chairman of UKSPA, and director of the University of Warwick Science Park.

"There should also be assistance afforded to smaller companies to develop their business, such as a central business advisory service."

The question now being asked is how successful are science parks in achieving these objectives and in promoting economic regeneration in general. A recent OECD seminar on science parks suggested that not all existing parks have come up to expectations, despite the success of the earliest prototypes, Route 128 in Massachusetts and California's Silicon Valley, a cluster of about 3,000 mostly computer and electronic firms in an area covering 300 hectares near Stanford University.

"While they are certainly beginning to bear fruit, this is only after an incubation period of at least 15 years.

"If the goal is to bring industry and universities closer together, then science parks haven't been 100 per cent successful, though it may be too early to judge," says Mr John Fairclough, Chief Scientific Adviser at the Cabinet Office. "The concept is outstanding, but companies have gone to Cambridge, for example, just to get the Cambridge address. For some universities, parks have become almost a test of their virility.

"It may also be too soon to say whether parks have been effective in transferring technology. One of my main measures is whether mainstream industry is moving into support them and, by and large, it is not. One reason is that British universities tend to have difficulty establishing multi-disciplinary research teams, making it less attractive for industry to work with them. In the US, science parks are more of a community enterprise, with universities joining forces in generally multi-disciplinary teams."

The Government's initiative in establishing multi-disciplinary research teams to look at areas of science and technology which might cross traditional university departmental boundaries is seen by Mr Fairclough as one means of improving collaboration with industry. One way a company could key into such a team would be by moving on to a science park. He also welcomes the decision by GEC to set up a major research facility on the Cambridge Science Park, as one of the first signs of major UK companies taking an interest in science parks.

GEC Research is spending £10m on the project, due to be completed by spring of next year. There were three principal reasons for choosing Cambridge, says Dr John Williams, head of GEC Research.

The company already had numerous close contacts with, for example, the university's departments of electrical engineering and physics and the Cavendish Laboratory; the Cambridge park, where GEC already had a three-year option on land, would be close to its other two main research centres, at Wembley and Great Baddow, with reasonable access also to London. Also important was Cambridge's reputation as a premier UK university and the time its park had been established.

"By being on a science park, we will be able to recruit from other companies on the site, and will collaborate with one or two others in bidding for and undertaking work. Perhaps we might also establish major teams of people, drawn from both the company and the university, to work on specific areas of research. But I'm not sure that you can link the lack of large companies on science parks with the absence of multi-disciplinary research within universities," says Dr Williams.

While some science parks in the US have gone all out to attract a major company from the outset, most UK parks have started with smaller units for start-ups, then progressed to provide larger scale premises. "The small, successful science parks, having gone through a period of growing their own small businesses, find they have become attractive to larger companies," says Mr Rowe. He quotes the examples of Aston, South Bank Technopark, West of Scotland, Bradford and Southampton.

Even Cambridge Science Park started like this 15 years ago. Only a minority of UK science parks such as Surrey, Heriot-Watt and Warwick have attracted the big league corporations from the outset.

"Science parks are not seeking just to bring in large manufacturing operations to a region but to grow new core activities based on innovative product development, new ideas rather than new capacity which is turned on and off as the demand for products change," says Mr Rowe.

Science parks have an important role also in encouraging academics to set up companies to exploit ideas formed within universities. Over 25 per cent of companies on science parks have been set up by graduates and academic staff from the associated university. "Science parks have a particularly strong enterprise culture among their companies and this provides a valuable commercial input into academic spin-off businesses."

Larger companies are in turn failing to see the potential of small companies on science parks for adding a new dimension to their research and development strategies, he believes.

"A major strength of small high-technology firms is the absolute priority they have for identifying and, if necessary, creating the markets for their products and services. Science park companies tend to be more leading edge than most and in many cases would also have much to gain from partnership with a larger company."

One example of a company that has recognised that potential, quoted by Hilary Sunman, an economist and author of several studies on the science park movement in Europe, is Olivetti, which involves smaller companies in areas of research that it may need to have developed particularly quickly. "Such joint ventures between equal partners seem to be an enterprising way of injecting equity into smaller companies, and it is the sort of area where science parks could be quite creative."

As science parks mature, so more consideration is being giv-

Continued on page 3

Innovation centres and science parks have a wider role to play in the economy

Agents for change in the regions

SCIENCE PARKS are widely misunderstood, say their protagonists. They should be judged by measuring the overall impact on the economy of a region or that of the nation as a whole, not by looking at them in isolation.

"We are agents for change, a major instrument for regional development," says Dr John Allen, chief executive of the Newtech Science Park and Innovation Centre. Newtech is situated within Deeside, North Wales, an area that has seen major redundancies, particularly with the steel and coal closures of the late 1970s. "Ours are long-term objectives, of enhancing Clwyd's technology base to encourage new, small high technology businesses into being, to replace dying smoke stack industries. The innovation centre has a role, not just for companies on the science park, but throughout the region."

While it might be unfair to judge Newtech's success in achieving its objectives in their entirety for another five years at least, the scheme, launched in December 1985, is already having an impact on the region's economy, believes Dr Allen. He is particularly encouraged by the co-ordinated response to the project, with the Welsh Development Agency, Clwyd County Council and the North East Wales Institute supporting the science park.

The WDA has invested some £1.5m in park buildings. Backing for the innovation centre has come from British Coal Enterprises, the county council, Coopers and Lybrand, BSIC, the EEC, and all the local district councils. Over £1m of public funds has been raised by Newtech to promote business development and expansion by small firms in the area.

There are now 12 companies on the science park, with another three expected to sign leases in the next few months. In addition, Newtech has played a significant part in the formation of 42 small manufacturing companies and the diversification of 20 established firms in North Wales. It alsoworks closely with companies on the industrial park which surrounds it and where 3,000 jobs have been created, most of them in high technology industries.

"The North East Wales Institute, the innovation centre and the science park should be seen as a continuum," says Dr Allen. One of the functions of the innovation centre, designated by the EEC as one of its network of innovation centres, is to assess ideas coming out of the institute and from elsewhere for their commercial potential. Newtech has received some 150 ideas this year, which it sifted down to 15 with commercial possibilities, but only three or four are likely to progress through to full production.

At that stage, the innovations and inventions may be exploited by a company setting up on the science park. The institute, of which Dr Allen remains dean, is there to provide technical support and collaboration.

Thus, a research and development arm of the US company Squibbs Surgicare moved onto the science park, and is making use of the institute's expertise in biotechnology. Squibbs has a factory close by, producing surgical products.

Another company, Biokits, which was set up to manufacture immuno assay kits, an idea conceived and developed within the institute, has taken 10,000 sq ft.

"We have concentrated on providing smaller units for the science park, and would not envisage a single occupier taking more than 10,000 sq ft," says Dr Allen. Of the 60,000 sq ft built so far on the park, 65 per cent is let.

Science parks can be "a major instrument for regional development," says Dr John Allen, chief executive of Newtech Science Park, launched in North Wales in December, 1985.

The Bradford science park has likewise concentrated on attracting the smaller firm. Virtually all its initial phase of 11.25 acres is taken. "We hope to attract small companies that will grow and eventually move off to make way for others," says Mr David Green, the university's industrial liaison officer. One company that has grown particularly rapidly is already thinking of that as an option.

Just one mile from the city centre, the science park has been a tripartite initiative, involving the university, Bradford City Council and English Estates. It was opened in 1983 on land owned by the council and reserved for university expansion, though nothing was done after the UGC cuts of the early 1980s.

The council has provided loans for companies moving onto the park and pays half the cost of university research projects up to a maximum of £10,000. For its part, the university provides access for science park tenants to research and test facilities, the library and sports and leisure facilities. English Estates has built accommodation for the 30 companies now on the park, carries out the park's day-to-day administration, also providing advice through its business advisory service set up last year. It is currently in discussion with the city council about the release of land for an extension to the science park.

Of the 30 companies now on the park, employing a total of over 340, five are spin-offs from the university. The first one to move on was BUSS (Bradford University Software Services), started with two employees and now employing 11. Another example is ELTEC Services, run by a university lecturer, specialising in business software packages and consultancy, and now occupying 8,000 sq ft premises.

But several companies have also relocated from elsewhere in the UK, and one from as far afield as California. Oxytech came to Bradford to look at the science park, and has since moved into adjacent premises, where it is developing equipment to generate ozone. Now employing half a dozen, it says it will take on extra staff, possibly as many as 50, when it moves into full manufacture, probably within two years.

"The science park has changed the way people think about Bradford," says Mr Green. "With the decline of traditional industries such as textiles, we used to be seen as a Yorkshire city that had fallen on hard times. Bradford now has a good reputation, not only in the UK but overseas."

Brunel, by contrast, is situated in what is unarguably one of the country's privileged locations, just 15 miles west of central London, a mile from the M40, four miles from the M4 and four miles from Heathrow Airport.

It has been one of the select few universities able to raise the finance for its park building programme. "In the early days, it did prove difficult to convince banks that lending against what was effectively government land was a good proposition," says Dr Peter Russell, the park's director. But the university now has a straight loan over 12 years from the Midland Bank.

Consequently, the university has complete control over which companies are granted leases, the only outside say on development resting with the local council as planning authority. The International Tin Research Institute is the only occupier owning its own premises.

"We have been able to be extremely selective in the companies we accept on the science park, while at the same time charging relatively high rents," says Dr Russell. Each company wanting to take space is interviewed by a vetting committee of academics and senior university administrators to gauge the likelihood of collaboration. "This would be a nice place to have a sales force, but that sort of proposition doesn't interest us."

Despite such stringent controls, progress has been rapid since the first building was opened last year, with the first phase of 54,000 sq ft already let, the second phase of 12,500 sq ft now under construction and the university planning to develop a further 6,500 acres. This success has whetted the appetite of some banks that were earlier so sceptical, with one now expressing firm interest in becoming involved.

The park has attracted its first major tenant, General Technology Systems, the independent space consultancy. GTS is taking 11,000 sq ft of Phase II with an option on the remaining 1,500 sq ft. The company expects co-operation with the university to be extensive. "We know and respect the quality of Brunel's undergraduates, post-graduates, lecturers and professors," says Mr Geoffrey Pardoe, GTS's managing director.

"We will place research contracts, and use university equipment and facilities. We would expect to hire some of the university's laboratories, since we don't want to develop our own, and have access to Brunel's high capacity computer facility on 'fair' rates. The university should benefit by being associated with our global network of contacts over a broad range of technology and science."

Nevertheless, the park's rents could prove prohibitive for some small companies such as university spin-offs. So the university has said it will release a further acre for cheaper accommodation, likely to be built and managed by the science park, as well as letting at relatively cheap rates surplus accommodation around the university.

Business and professional advice is also available on the park for those tenants without in-house expertise. One Stop Professional Services offers the services of an accountant, a patent engineer, a trademark agent and a marketing specialist. The West Greater London Productivity Association provides a range of support, from in-company training, to seminars, wage and salary surveys and can also provide a secretarial service to other tenants.

Alastair Guild

The company view

Know-how is on tap

COMPANIES ON science parks come in all shapes and sizes, encompassing start-ups, spin-offs from universities, large multinationals and everything in between. Their reasons for choosing to locate on a science park are equally as varied.

Take Aston Technology, a company set up in 1983 to assemble and build multi-user computer systems for the UK and Europe, and one of the first companies on the Aston science park. A primary attraction for Mr Graham Gough, the firm's founder and managing director, was access to venture capital from Birmingham Technology, the venture capital company owned jointly by the City of Birmingham, Lloyds Bank and Aston University, and the only fund so closely associated with a UK science park.

In return for a 26 per cent stake, Birmingham Technology injected an initial £300,000 of long-term capital. "This gave us a tremendous amount of credibility in the early days, much more than going to an ordinary venture capital fund." The venture capital was needed, among other things, to set up a production line.

The company, which started with four employees, now has a staff of 65, a turnover expected to reach £4m this year, and was earlier this month acquired by General Automation, a US company.

It has moved several times since taking its first building on the science park of 150 sq ft, initially into 2,000 sq ft, then onto 5,000 sq ft of premises, before moving into its 12,000 sq ft "venture unit." In one year's time, the company expects to grow into 18,000 sq ft. "The availability of flexible leases has been another attraction of being on the science park in easing the company's growth," says Mr Gough. Nursery units were offered on one-year leases, venture units on three-year leases.

Also important was the "general synergistic atmosphere" of having like-minded companies nearby. AT has already placed a contract with one science park company for a communications board, and the number of contracts placed with other science park companies is likely to grow.

"Though we haven't yet recruited students coming out of Aston University, we have considered it and will no doubt start taking graduates as we grow, mainly software people and maintenance engineers. We've already taken a lot of YTS trainees and given them full-time employment, particularly in the production department."

Untypically of science parks, perhaps, Aston has welcomed Aston Technology's manufacturing facility. It is currently producing over 200 multi-user and multi-processor micro systems a year, which it markets through 30 systems houses, as well as direct to government bodies such as the Inland Revenue, MSC, Ministry of Defence and local health authorities.

Edinburgh Instruments was an early entrant to its science park also. The first company to set up on the Heriot-Watt research park, just outside Edinburgh, it was formed by Prof Desmond Smith, head of Heriot-Watt's physics department, with the intention of taking ideas out of the research laboratory and making them more useful to the wider public.

It specialises in lasers and laser systems for research and development and industrial applications. Universities and the Ministry of Defence are its main R & D customers, while its products are used in industry for cutting paper and plastic, for example.

"Though the company now has its own product line, and so its own in-house expertise, close proximity to university research staff is still a useful source of assistance when we come up against a fundamental physical problem or a request for a one-off system," says Mr Ian Wilson, Edinburgh Instruments' production director. "We will either get an expert in the university to solve it or hire their services into the company, in both cases at commercial rates."

Edinburgh Instruments, owned 25 per cent by Ferranti, 25 per cent by the Scottish Development Agency and 50 per cent by its own directors, now has a staff of 40, mainly physicists and mechanical and electronic engineers. Last year's turnover was £2m, nearly 80 per cent accounted for by exports. About four years ago, its 4,000 sq ft unit, leased from the university, was extended to 10,000 sq ft at a cost of £100,000, paid for by the SDA.

"We expect to grow still further, though we may not be able to expand on the research park," says Mr Wilson. "At present, we produce a small number of high value systems, rather than a large number of low value systems. The terms of the research park may limit the volume of work we could carry out, so if we start volume production, we might have to set up manufacturing plant elsewhere." Livingston, a few miles down the road, is one possibility being considered by the company. There it could get grants, pay attractive rents for the first few years and receive help with the purchase of machinery.

But Edinburgh Instruments would retain its presence on the park. "There is still some attraction in having a close association with the university: if we saw something being researched in the university with commercial potential we would chase after it, and it's also a very pleasant environment to work in."

Interaction between BOC and its "host" university, Surrey, intense from the outset, is expected to become yet more extensive, though it was more by chance that the Guildford research park fell within the area the company had set itself when moving from its former headquarters in Brentford, West London. The building, put up in the 1960s, was proving increasingly unsuitable. Close to main roads out of London, it lacked air-conditioning, double glazing and had multi-occupants.

"Given that we were already in the west, it was only sensible for us to look further west. We wanted to minimise the impact of the move, particularly on our senior people, while having easy access to the M25," says Dr Don Lamb, managing director of BOC responsible for its industrial gases operation in Western Europe and the food distribution company, BOC Transhield. "Discovering Guildford was like finding an El Dorado. Eighty per cent of our employees have come with us from Brentford, and being on the research park will make us more attractive when recruiting graduates."

Also important to BOC was the fact that on the Surrey research park it could purpose-build and own, rather than lease, its building. The initial phase of 120,000 sq ft houses 350 staff, while the second phase of 60,000 sq ft, accommodating a cryogenic engineering and design facility, employing 240, is due for completion by the end of the year.

Since moving to the research park in November last year, making it the first company to take space on the site, BOC has announced it is sponsoring a chair in process engineering, has engaged a number of academics in consultancy work and placed a major research contract with Surrey's Department of Chemical and Process Engineering to examine novel techniques of gas separation. A BOC employee has been seconded for three years to work in the department, and the company has provided both equipment and resources for the laboratory to undertake the work.

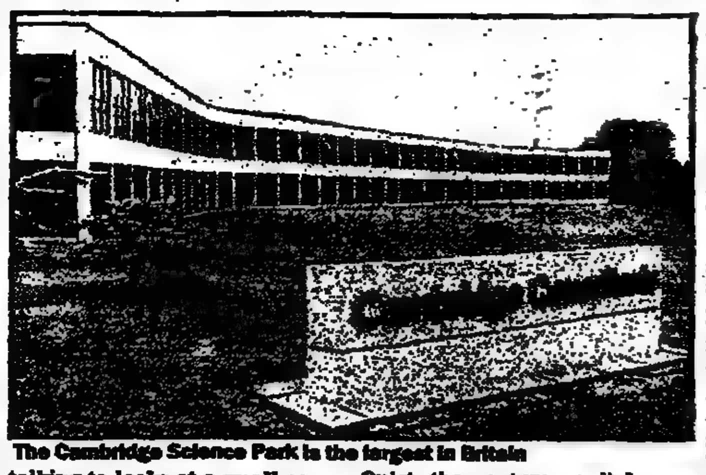
Undergraduates have been taken on for their industrial training year, and a handful of Surrey graduates has found employment with BOC.

"It is still early days, both for us and for the research park. The university has to earn collaboration with BOC, and cannot take anything for granted. But we are seeking to build relationships with Surrey and with other companies as they move onto the research park. That opportunity is very attractive to us."

Alastair Guild

Finance and new developments

The quest for 'seed capital'



The Cambridge Science Park is the largest in Britain

A *CONSENSUS* view among science parks and venture capital companies regarding the efficacy of their respective roles - and even the very definition of those roles - is hard to find.

Despite the growth of the science park movement in the UK, there are few parks which are directly linked with venture capital funds which can be crucial in funding start-up businesses.

Aston Science Park, jointly owned by the City of Birmingham, Lloyds Bank and Aston University, is unique in this field. Birmingham Technology (BTL) jointly manages both the science park and venture capital for start-up companies located within the city.

Furthermore, Aston concentrates on 100 per cent high-tech start-ups - an area considered *unpredictable in the UK and* which tends to provoke extreme reactions of one kind or another from venture capital groups.

"People think we're either crazy or very brave...we think we are brave," says Mr Harry Nicholls, managing director of BTL.

Aston is unusual, too, in offering a range of investment from £20,000 to £300,000 to science park tenants. Such small start-up finance is hard to obtain from the venture capital industry, although opinions differ as to whether the situation has worsened in recent years.

Mr Nicholls is clear that venture capitalists ought to be doing more at this end of the business. "What I say to venture capitalists is that if you can't find it economic to invest in small companies, who the hell should? One can't ignore high-tech start-ups and just look at management buy-outs."

Management buy-outs have become increasingly popular with venture capitalists, but are thought by some merely to be a passing phase, with the likelihood of a return to a greater emphasis on the needs of smaller businesses.

At London's South Bank Technopark, one of Britain's most successful science parks, Mr Jeffe Jeffers, managing director, is gloomy about the prospects.

The Technopark looks to outside venture capital, and Mr Jeffers says that in its three-year existence, venture capital has become "decidedly harder to find.

"The venture capital industry in the UK does not like software because of the risk and because of the marketing costs. British companies aren't interested in start-ups either. Even some of the funds that were concentrating on technology are drifting away from it now.

"A major Japanese fund I was talking to looks at a small company *investment as 10* years - in the UK, companies are looking to get out in three to four...if they can't see a quick way out, *they decide not to* play. Short-termism is close to a national disaster," he says.

Others may be less outspoken, but privately agree. There is an often-expressed belief, however, that venture capital companies cannot be blamed for their disinclination to lend relatively small amounts to start-ups.

"It takes as much work to investigate and appraise the start-up situation (as a later investment), regardless of how much money you are putting in...you can't criticise the venture capital companies for shying away from diseconomies of scale," says Mr David Rowe, director of Warwick Science Park.

Only a few companies have entered UK science parks with venture capital, he says, in his capacity as chairman of the UK Science Park Association. Most have started with bank loans or money left them by a relative - commonly referred to as 'Aunt Agatha.'

In 1986, the average investment put into start-ups by venture capital *funds* throughout the UK was £400,000, according to the association.

A survey by Peat Marwick for the association in December last year showed that 55 per cent of the start-ups on science parks were financed from personal savings, 12 per cent from bank loans, and just 3 per cent from venture capital.

A few other link-ups between science parks and venture capital funds have sprung up, however. Prelude Technology Investments, backed by three pension funds and Equity Capital for Industry, operates on the Cambridge Science Park, as does 3i Cambridge, a regional arm of 3i Ventures.

Baring Brothers Hambrecht & Quist, the venture capital arm *of the London-based merchant* bank, manages funds for Trinity College, Cambridge, which owns the Cambridge Science Park. *Its chief executive*, Mr Dick Onians, believes there is more than enough funding available for people who already have the basis of a business.

But, he says, "there is totally inadequate finance for those who have nothing but a concept... 'seed capital' is needed, which could be managed by a venture capital group but doesn't seem to be at the moment."

The Science Parks Association is currently thinking of ways to stimulate such seed-corn capital, while investigating whether a fund can be raised specifically for science parks in the UK.

Meanwhile, a major *selling* point for science parks now - after spending a few years maturing and learning more about the business - is the management expertise they are able to provide for a small business.

At venture capitalists Alan Patricof, management help is sought by companies at varying stages of development. Whether at start-up or rescue stages, "all these companies want management more than they want cash," he maintains.

While venture capitalists are to some extent competing with the banks in providing cash, their management skills place them in a field of their own, particularly when it comes to the *larger companies with international* contacts.

A *few* groups, such as BBHQ, straddle international boundaries, and there are venture capital schemes on offer within the EC.

Most such schemes, including those run by the UK Government, tend to be beyond the scope of the smallest companies.

But further collaboration on management between science parks and venture capital funds could lead to potential problems.

"When a tenant comes into Technopark, he gets management help free, as does the venture capital company he attracts. But there is an element of competition because some funds are looking for fee income for management support," says Mr Jeffers.

Science parks feel they have an edge in any such competition, however. "The principal reason for having science parks is to have the university centre close to the business sector - the research, consultations with academics, university projects...are the main advantages for small companies which would not have such opportunities," says Mr Rowe.

It is not yet clear whether venture capital funds as a whole are all that interested in the smallest companies, however, and some express doubts about the role some science parks are adopting.

"Science parks are fine as long as certain rules are adhered to, and it is very good for small companies to be in an enthusiastic environment. But they should not attract big corporations for an undue share of costs, as that sets the wrong tone - science park managements tend to give in to big companies," says Mr Onians.

Dina Medland

UK SCIENCE PARKS NOW UNDER CONSTRUCTION

A FULL LIST OF OPERATIONAL SCIENCE PARKS IN BRITAIN APPEARS ON PAGE 4

University/ College		Name and Address of Development	Contact Tel. No.	Partners	Date of Opening	Total Area Acres 73.5	Buildings Completed sq. ft.	Buildings under Construction sq. ft. 124,000	No. of Companies on Park
ABERDEEN		Aberdeen Science and Research Park c/o Scottish Development Agency 10 Queens Road Aberdeen	Philip Miller 0224 641791	Scottish Development Agency Grampian Regional Council Aberdeen University Robert Gordon Institute of Technology	June 87	60	Dec. 87	12,000	–
CARDIFF	*	Cardiff Business Technology Centre Senghennydd Road Cardiff	Jeff Andrews 0222 499022 Mr D Winnard 0222 494411	South Glamorgan County Council Cardiff BTC	Nov. 87	1.5	–	18,000	–
SALFORD	*	Salford University Business Park Salford M5 4WT	Tony Wilby 051 933 2020 Geoff Mortimer 061 736 8921	Salford University English Estates Salford City Council	Jan. 88	5	–	41,000	–
SHEFFIELD	*	Sheffield Science Science Park c/o Sheffield City Council Dept. of Employment & Economic Development Palatine Chambers Pinstone Street Sheffield S12 8HN	Dr. B. Pemberton 0742 766755 Dr. Jack Hobbs 0742 20911 Phil Wilbourn 0302 66865	Sheffield City Council Sheffield Polytechnic Sheffield University English Estates	Jan. 88	5	–	33,000	–
SUNDERLAND		The Burn Park Technology Centre Chester Road Sunderland	Phil Calvert 091 487 4711	English Estates Sunderland Borough Council Sunderland Polytechnic	Dec. 87	2	–	20,000	–

In addition, a number of Universities, other institutions of higher education and research centres are known to be at the planning/feasibility stage of development schemes including: University of Essex, Portsmouth Polytechnic*, Imperial College, Oxford University, Medical College of St. Bartholomew's Hospital*, Reading University*, Belasis Hall Technology Park (Billingham)*, Riddlesdown Science Park (Surrey)*.

*Members of the UK Science Park Association.

Much scope for expansion

Continued from page 1

on to formal mechanisms for providing financial backing to companies seeking to exploit new ideas.

Aston Science Park has its very own venture capital company, Birmingham Technology, owned jointly by the City of Birmingham, Lloyds Bank and Aston University.

In Scotland, Kelvin Technology Developments was set up three years ago to bridge the gap between laboratory projects and venture capital institutions. Owned one-third by the Scottish Development Agency and one-third each by Glasgow and Strathclyde universities, *the fund, started with £200,000*, has supported some 15 companies, of which three have set up on the West of Scotland Science Park, with another two in the pipeline. The average investment is £25,000.

But, according to by Dr Peter Smith, *chief executive of* Vuman, a company set up five years ago to take ideas out of Manchester University and into the market place, "science parks are more about bringing in companies from outside to be near the university. We are more about *taking technology, picking it up*, developing a business or reaching a licensing arrangement," he says.

Nevertheless, with only 5 per cent of science park start-up companies supported by venture capital funds, UKSPA is *drawing up proposals which it* hopes will raise at least an initial £3m for a fund to be targetted specifically at companies on *science* parks.

"The association could provide the expertise to appraise proposals and monitor investments. With the relatively small amounts involved, this would make it a more cost-effective form of venture capital scheme," says Mr Rowe.

It is recognised that there will be an element of risk, though each initial investment will be small, between £25,000 and £100,000.

"We plan to build into the funding package strong after-care arrangements, so that a company's progress is monitored and, when necessary, additional management skills brought to bear," says Mr Rowe. Each park will be *"audited"* before tenant companies are able to draw on the fund, to ensure that adequate after-care arrangements are provided.

However, science parks should be just one element in a university strategy for diversifying and strengthening its relationships with the industrial and commercial sector. For each company on *Heriot-Watt's* Research Park, *four* have moved into the area around the campus. "They are seeking to continue the *interaction* already enjoyed through our technology transfer institutes," says Mr Ian Dalton, director of the *Heriot-Watt Research Park* and president of the International Association of Science Parks. Heriot-Watt now has eight TTIs, started with an *initial injection* of university funds, wholly owned by the university but with their own boards of management and producing their own sets of accounts, and with turnovers running into seven figures.

"Just because a company isn't on the park, doesn't mean it is excluded from tapping into university expertise, though a science park does add to the possibilities for collaboration," says Mr Dalton. "The parks that will be successful are those attached to universities already, with a tradition of collaboration with industry."

Salford University, for example, *which only recently* decided to set up a small business park close by, believes it has achieved successful collabora*tion with industry* without a science park as such. Salford Business Services, now with a turnover of £5m, acts as a bro*ker between* industry and commerce, and academics with particular expertise to offer, while many departments make their own contacts with outside organisations.

A recent OECD seminar on science parks emphasised the desirability of each region carrying out studies on how to use existing research structures. It would then be possible to fill identified gaps in the system and, where necessary, establish a park close to an institute of technology or, on a smaller scale, create incubators or innovation zones, or else simply facilitate contacts between research and industry.

"Although most science parks are still fledglings and have yet to prove themselves, they are none the less active agents in the creation of new firms and in *technological* and economic development," concluded a seminar report. "Regions recognising the importance of developing a research capability *in a highly* competitive world cannot ignore this type of scientific and industrial collaboration."

SCIENCE PARKS 4

Summary of science parks in the UK

Fully operational science parks

University/ College		Name and Address of Development	Contact Tel. No.	Partners	Date of Opening	Total Area Acres	Buildings Completed sq. ft.	Buildings under Construction sq. ft.	No. of Companies on Park
ABERYSTWYTH	*	Aberystwyth Science Park, Cefn Llan, Aberystwyth SY23 3AH	Conrad Jenkins 0970 615779	University College of Wales Aberystwyth; Mid Wales Development	Feb. 85	6	12,000	10,000	6
QUEENS UNIV. AND UNIVERSITY OF ULSTER	*	Antrim Technology Park, Belfast Road, Antrim BT41 1QS	George Dillon 0266 3655	Industrial – Development Board for N. Ireland; University of Ulster; Queens University Belfast	Nov. 86	74	43,000	16,000	4
ASTON	*	Birmingham Technology Ltd, Aston Science park, Love Lane, Aston Triangle, Birmingham B7 4BJ	Barry Nicholls, Barbara Richards 021 359 0981	City of Birmingham; Aston University; Lloyds Bank PLC	Feb. 87	22	147,200	–	51
BANGOR	*	University College of North Wales, Bangor, Gwynedd	Dafydd Jones 0248 354103	Gwynedd C.C.; Arfon Borough Council; University of North Wales	July 86		5,425	–	2
BIRMINGHAM	*	University of Birmingham Research Park, Vincent Drive, Edgbaston, Birmingham B15 2SQ	Dr. Derek Burr 021 471 4977	Birmingham University; Birmingham City Council	April 86	8	32,000	12,000	9
BOLTON INSTITUTE OF HIGHER EDUCATION	*	Bolton Technology Exchange, Queensbrook, Off Spa Road, Bolton, Lancs. BL1 4AY	David Bromley 0204 361708	English Estates; Bolton Institute of Higher Education; Bolton M.B.C.	April 86	2.5	25,000	–	10
BRADFORD	*	Listerhills at Bradford University, Bradford, West Yorkshire	Lawrence West 0274 733466 Ext. 8284; Paul Barber 0302 666565	English Estates; Bradford University; Bradford City Council	March 83	11.75	93,000		41
BRUNEL	*	Brunel University Science Park, Uxbridge, Middlesex UB8 3PH	Peter Russell 0895 72192	Brunel University	June 86	6.4	54,000	12,500	15
CAMBRIDGE	*	Cambridge Science Park, Milton Road, Cambridge	John Twaddle, Henry Bennett – Letting Agents Bidwells 0223 841841	Trinity College Cambridge	1972	130	588,000	58,000	65
CAMBRIDGE	*	St. John's Innovation Centre c/o St. John's College, Cambridge	Chris Johnson 0223 338627	St. John's College Cambridge	Sept. 87	19	37,000	–	1
DURHAM	*	Durham Mountjoy Research Centre, Durham University, Durham	Chris White 0642 165911; Dr. Eric Howells 0385 64971	English Estates; Durham University	Oct. 85	2.7	36,272	–	5
EAST ANGLIA	*	University of East Anglia Science Park, University Village, Wilberforce Road, Norwich NR4 7TJ	Philip Lannigan 0603 56161	University of East Anglia	Feb. 84	12	10,000	–	3
GLASGOW/ STRATHCLYDE		West of Scotland Science Park, 1.01 Kelvin Campus, Glasgow, G20 0SP	Linda Stark 041 946 7161	Scottish Development Agency; Glasgow University; Strathclyde University	Sept. 83	61.5	78,000		17
HERIOT-WATT	*	Heriot-Watt University Research Park, Riccarton, Edinburgh EH14 4AS	Ian Dalton 031 449 5111	Heriot-Watt University	1972	56	300,000	25,000	30
HULL	*	Newlands Centre at Hull University, Inglemire Lane, Cottingham Road, Hull	Paul Barber 0302 66565; David Geekie 0482 465510	English Estates; Hull University; Hull City Council	Dec. 84	3.0	37,500	–	19
KEELE		Keele University Science Park Ltd, Keele University, Keele, Staffs ST5 5BG	Philip Oxman 0782 621556	Keele University; Newcastle under Lyme Borough Council; Staffordshire County Council	Dec. 86	15	20,000	–	7
KENT		Kent Research & Development Centre, The University of Kent, Canterbury, Kent CT2 7NR	John Maxwell-Jones 0227 764000	Kent University; Kent County Council; Canterbury City Council	Feb. 86	10	7,000	7,000	2
LIVERPOOL	*	Merseyside Innovation Centre Ltd, 131 Mount Pleasant, Liverpool L3 5TF	Arthur Rimmer 051 708 0123	University of Liverpool; Liverpool Polytechnic	1982	2	15,000	–	12
LOUGHBOROUGH	*	Loughborough Technology Centre, Epinal Way, Loughborough, Leicestershire	Peter Smith 0533 87131; Loughborough Consultants 0509 230426	Leicester County Council; Loughborough University	April 84	3	22,000	–	16
LONDON/ SOUTH BANK	*	South Bank Technopark, 90 London Road, London SE1	Jeffe Jeffers 01 928 2900	Prudential Assurance; S.B. Polytechnic; South Bank Technopark Co.	April 86	1.7	75,000	–	42
LEEDS		Springfield House at Leeds University, Leeds, West Yorkshire	Paul Barber 0302 66565	English Estates; Leeds University	June 83	1.98	32,200	–	11
MANCHESTER	*	Manchester Science Park Ltd, Enterprise House, Lloyd Street North, Manchester M15 4EN	Dr. Tom Broadhurst 061 226 1000	Manchester City Council; Manchester University; Ciba Geigy Plc; Ferranti Plc; Fothergill and Harvey Plc; Granada Television Ltd	Dec. 84	15.5	24,000	32,000	14
NEWTECH	*	Newtech, Newtech Science Park, Deeside Industrial Park, Clwyd CH5 2NU	Dr. John Allen 0244 822261	Clwyd County Council; The North East Wales Institute; Welsh Development Agency	Dec. 85	Part of Deeside Ind. Park	66,000	–	10
NOTTINGHAM	*	Highfields Science Park, University Boulevard, Nottingham NG7 2QP	John Webb 0602 506101 Ext. 3349; Tony Edwards 0602 418561 Ext. 354	Nottingham University; Nottingham City Council	Dec. 84	18.0	45,500	13,000	24
SOUTHAMPTON	*	Chilworth Research Centre, Chilworth Manor, Southampton SO9 1XB	Shirley Smith 0703 767420; Prof. John Large 0703 559122 Ext. 2298	Southampton University; Southampton Economic Development Corporation Ltd	1984	28	60,000	150,000	17
SURREY	*	The Surrey Research Park, University of Surrey, PO Box 112, Guildford, Surrey GU2 5XL	Dr. Malcolm Parry 0482 579863	University of Surrey	1984	70	190,000	140,000	10
ST. ANDREWS		St. Andrews Technology Centre, North Haugh, St. Andrews, Fife	Marian Sherwood 0592 205171; Dr. Maurice Shepherd 0334 76161	Scottish Development Agency; St. Andrews University	Dec. 84	0.74	12,000	–	2
STIRLING		Stirling University Innovation Park, Stirling University, Stirling	Ross Clark 0786 70080	Stirling University; Scottish Development Agency; Central Regional Council; Scottish Metropolitan Plc	June 86	14	13,000	13,000	10
SWANSEA	*	Swansea Innovation Centre, University College of Swansea, Singleton Park, Swansea SA2 8PP	Sidney Brailsford 0792 295555	University College, Swansea; Welsh Development Agency	July 86	3.4	20,000	–	6
WARWICK	*	University of Warwick Science Park Ltd, Barclays Venture Centre, Coventry CV4 7EZ	David Rowe 0203 418535	University of Warwick; Coventry City Council; West Midlands Enterprise Board; Warwickshire County Council	Feb. 84	42	150,000	70,000	39
30 PARKS						636.15	2,260,097	558,500	502

* Members of the UK Science Park Association.

Education and industry

Collaboration is the key

INSTITUTIONS OF higher education and industry are entering into increasingly close collaboration. The key stimulus in the early 1980s was the financial presure on HEIs, but other factors have helped to accelerate the process. HEIs have become more entrepreneurial as they realise the benefits of links with industry, while industry, faced with the challenge of advanced technology, has turned to HEIs to help it meet its need for skills and know-how. This is reflected at both undergraduate and continuing education level.

"We could see a shortage arising of people who are engineers but understand sufficient about bio-sciences to be able to work with bioscientists," says Professor Roland Clift, involved in setting up a new interdisciplinary course at Surrey University in process biotechnology, due to take its first students this year. "We talked to a number of companies and all but one said 'super: can we have some tomorrow?' This convinced us we had the right idea."

An advisory board was set up with members from BOC, ICI, Glaxo, the Brewers Society, Alfa Laval, RHM and Unilever, the companies that would be the main employers of graduates from the course, and the board helped formulate the course, a "thick sandwich" with one full year spent in industry.

Interdisciplinary courses, both within and across faculties, are an important feature of teaching at Strathclyde University, again aimed at addressing the broad issues faced by industry. A degree course in information engineering, for example, is put on jointly between the departments of electronics and computer sciences, while the university is about to launch a course in manufacturing systems engineering, a collaboration involving electronic and electrical engineering.

"Universities are going more and more down the modular route," says Mr Tariq Durrani, professor and chairman of Strathclyde's Department of Electronic and Electrical Engineering. "This makes them much more flexible in responding to technological change, though every department has, in addition, its own mainstream course. Industrial liaison committees are important in providing feedback from industry in structuring courses."

But interaction with industry in running courses is achieved not just within advisory board meetings but also through the time spent by undergraduates in companies, an increasingly common feature in most universities.

"The fact that students have to be able to hold their own in that time in industry colours the way we put a syllabus together," says Dr Brian Mulhall, a lecturer in Surrey's Department of Electronic and Electrical Engineering, which has designed a number of courses in response to industry's needs. Its master's degree in electronic and electrical engineering was one of the winners of the Industry Year Award. The initial intake onto the MEng in 1981 was seven students, sponsored by six companies. By last year there were 70 students and 37 sponsors.

There are other ways in which industry's needs are being brought to bear on teaching within universities, for instance through their involvement in teaching company schemes. Some 270 teaching company programmes are currently in operation in the UK. A university or polytechnic team takes part in a company's plan intended to achieve comprehensive changes in its techniques and procedures.

"The idea is to transfer ideas from the university into a company, while the benefits to the university are that it gives academic staff a greater awareness of what is going on in the real world," says Mr Mike Heath, manager of one of the schemes at Salford University.

Alastair Guild

Property developers have been slow to meet high tech needs

Universities lead the way

PROPERTY DEVELOPERS and investors were thrown into a tailspin when demand for buildings from traditional industry collapsed in the early 1980s.

For decades they had churned out thousands of the mundane sheds which make up the bulk of Britain's industrial estates. Suddenly their order books dried up as the economy went through a shake-out, and they desperately needed a new product.

High-tech seemed to provide the answer. Out in the Thames Valley and in other pockets such as Central Scotland, electronics and science-based companies were still growing. But they needed a new type of building: bright, airy, flexible and set in much more pleasant surroundings than the traditional cramped trading estate.

Suddenly, every development was "high-tech" and every cluster of buildings was dubbed a "park". But developers are a conservative lot. Under the brightly painted surface of most new buildings were the same old sheds with the same drawbacks.

Small science-based companies at the leading edge of the technology revolution still found it hard to find a home. Landlords like to see good profit records before they will allow a tenant into their sacred portal frames. They also demand long leases to hedge their risks.

So for all the proliferation of so called "science parks", very few schemes emerged from the property industry which justified the label or suited the needs of this emergent sector.

The universities and polytechnics had to provide the lead, as they were more concerned with exploiting the commercial potential of their staff than judging the risks of investing in new businesses.

"We had to prove our case," says Mr David Rowe, of the UK & Science Parks Association. "Only now have we been around long enough to show investors we can give them a good deal."

He points to the evidence of a boom even in "depressed" areas such as Bradford, where rents moved from £2.50 a sq ft to £4.50 by the end of last year. In Aston they have gone from £4.50 to £5.75 in the last 12 months or so.

Cambridge, the first British science park, has long provided evidence of growth, according to Mr Henry Bennet, of Bidwells, the surveyors who run the scheme for Trinity College. "It has been about 15 per cent compound a year for as long as I can remember," he says.

The opportunity for private developers to move into science parks is limited

The *opportunity for private* investors to get into such schemes is limited. A university usually has no intention of sharing its profitable business with developers unless it has to.

Deals tend to be confined to venture capital, such as Barclays Bank at Warwick, Lloyds at Aston, and Midland at Birmingham. Surrey University got its Guildford Park off the ground by leasing to BOC and Grand Met, but again this was a way of raising starter cash to pay for direct development rather than a full partnership.

Institutional investors have crept in occasionally. At Cambridge, the Post Office Pension Fund took an underlease of Laserscan's premises, and 3i sold on its 1½-acre scheme to three funds. But rarely has a private investor initiated development of a science park.

Technopark, set up by the Prudential next to London's South Bank Polytechnic, is the main exception, although plans are also being considered for a massive new scheme, backed by private sector developers, near Bristol.

Whether either should be included in the broad swathe of science parks is debatable, however. Mr Jeffe Jeffers, who runs Technopark, concedes that it has a massive advantage in being in central London.

The 75,000 sq ft first phase was more than 70 per cent let within four months of opening and the 50,000 sq ft second stage has already reached that level. Rents have soared from the £4 a sq ft when conceived to £8 at the opening two years ago and onto £10 today.

Most tenants are not from the Poly, and they do not need the subsidised rents required elsewhere. "Inner London is Britain's biggest pool of high-tech training and business, so there is enormous demand," says Mr Jeffers.

Where he does share a problem with other parks is in finding private finance, in spite of such dynamic growth. Institutions are pulling out of property as a whole and are inany case not keen on the "hands on" management necessary to nurse along newcomers. Foreign banks, now providing so much property capital, tend to concentrate on less complicated schemes such as City offices.

Fledgling companies can find a niche in Technopark, although Mr Jeffers says he has to turn away 19 applicants for every one he takes on. But once they grow beyond the miniature premises on the South Bank, they are back into the problem of funding.

It also galls Mr Jeffers that one tenant he has nursed from 400 sq ft to 10,000 sq ft in three years will disappear to Cambridge because 'grow on' space is almost impossible to find. But his success at Technopark will bring some improvement in private funding, as his company is aiming to move onto a string of technology and research parks across London.

One way to bridge the gulf between the needs of fledglings and developers' financial demands might be found in Bristol, where Britain's largest science park could rise on a greenfield site at Kingswood.

Chesterfield Properties and Hambros Bank will provide the backing for the proposed £250m scheme.

It aims to focus on a 225,000 sq ft research centre with a staff of 150 drawn from the universities of Bristol and Bath and Bristol Polytechnic, which are partners in the project.

David Lawson

Small and medium sized companies

Data bases in demand

SMALL COMPANIES looking for venture capital and management help are better placed than they were a few years ago. But the problems of managing growth for such companies with limited resources remain a reality, particularly as they are less able to afford expensive mistakes.

Science parks have provided access to business expertise for small concerns that may have been set up by those with little or no such training. Small businesses are able to take advantage of this advice - initially at least - at no cost to themselves.

But there is little evidence in the UK to suggest the extent to which being on a science park helps a small, technology-based company. Many companies on science parks are said by observers of the scene to find location immaterial to how they fare commercially.

The difficulties of obtaining venture capital affect the smallest of businesses, but there are other hidden dangers for small and medium-sized companies trying a variety of approaches in their quest for growth.

Technology transfer - the exchange of technology between companies - is one option that can give small companies the benefit of receiving the wider knowledge of a larger company at a limited cost.

Mr Anthony Lunch, marketing director of the UK consultancy BASE International of Milton Keynes, says: "Technology transfer has never been so buoyant. Companies which three years ago were deaf to this concept are now much more inquiring - there has been a considerable growth in data bases which companies can plug into."

BASE (an acronym for business applications of science and engineering) helps companies find and set up joint ventures or establish other technology *transfer mechanisms and* arranges equity financing.

Small companies are able to arrange payment for technology transfer from a variety of sources, says Mr Lunch. He quotes grants from the Department of Trade in the field of biotechnology, and the sale of technology on a success rate basis - you pay once you achieve results.

"The first stop for a small company interested in technology transfer should be the local polytechnic," says Mr Lunch. He argues that there should be more scope within the Business Expansion Scheme for involvement - and investment - at the local business level and that companies should only approach venture capital funds at a later stage.

At the Aston Science Park in Birmingham, the West Midlands technology transfer centre is just getting under way. "Small companies need to export and diversify, and they need intermediaries. But the problem lies partly in recognising what needs to be done," says Mr Harry Nicholls, managing director of Birmingham Technology, the company which runs Aston.

Small companies are no longer ignoring the benefits of plugging into technology transfer

But even those companies which are certain of the direction in which they want to head are likely to find the going tough. Funding is available through government schemes, but they are not without their problems.

The Alvey high-technology sponsorship programme is widely criticised among industry observers as one that favours large companies, while the Support For Innovation grant scheme is described by several venture capital funds as "riddled with bureaucracy."

Persuading venture capital companies to share risk by syndicating their deals is one way to approach technology transfer or general funding. But it is not one that is widely used in the UK.

Even those companies which obtain the funding to go ahead with technology *transfer or* joint ventures may be faced with some nasty surprises, according to some observers.

"There can be a limited success in large companies joining forces with little ones, or corporate venturing as it is known. You have to be sure of the big company's motivation," says Mr Richard Hargreaves, managing director of Baronsmead Associates, a venture capital group in London.

Mr Dick Onians, chief executive of venture capital group Baring Brothers Hambrecht & Quist, believes that the relationship between a small and large company engaged in technology transfer is an "inherently unstable one. For big companies, transferring by contract rather than acquisition is not very easy to do."

Fear of potential predators may, however, be compensated to some extent by the knowledge that a possible buyer exists for the small business, but that depends on the particular company.

The dangerous side of transnational corporate alliances was given a hearing earlier this month at a meeting of international businessmen and academics at INSEAD in France, one of Europe's leading business schools.

Speaker after speaker at the three-day symposium expressed concern at the risk of an unplanned transfer of technology, an imbalance of attitudes, and the possibility of being driven into an irrelevant field by a partner.

Small companies may be shielded from the potential dangers of corporate alliances by going for technology transfer on the premises of a science park.

At Warwick Science Park, Mr David Rowe, director, points to companies which have used a "soft-start" method through consultancy, ploughing profits into internal research and development and slowly progressing to the manufacturing stage.

But other science parks have doubts about their ability to progress in any formal way in this field. The South Bank Technopark in London has spent the past 18 months in an attempt to transfer technology between the state of New Mexico in the US and the UK.

"There are big federal laboratories there and we were hoping to transfer technology back and forth. But the intermediate costs are very high and the timescale is long. The science park finds itself in the middle holding costs and the fees will not cover them...we are thinking of winding it up after failing to succeed with even one transfer so far," says Mr Jeffe Jeffers, the Technopark's chief executive.

Dina Medland

Case Study: Belasis Hall Technology Park

Teesside experiment

TEESSIDE IS pinning a lot of hope on the Belasis Hall Technology Park, the joint venture between ICI and English Estates launched in the early summer.

This is an area which has yet to establish the roots of new industries and services to replace the shrinking traditional industrial base. Its demise came later than in other parts of Britain, making the shock all the greater. The efforts to identify and foster the new base have only just begun.

That is why Belasis Hall is so important. The combination of the technical resources of ICI and the property expertise of English Estates is planned to offer attractions to potential occupiers which cannot be equalled elsewhere in the country.

The greenfield site is 167 acres, adjacent to the ICI agricultural chemicals head office at Billingham. A moated manor house on the site was occupied by John Belasis in the 13th century, hence its name. The remains of the moat will become a feature of the landscaped site, where it is hoped to attract some of the birds which are a feature of the Tees estuary.

Work has started already on preparing the first phase, of some 50 acres, for landscaping. The decision to commit money to landscaping at an early stage was made so as to emphasise the quality image of the park. This has been repeated in the first buildings now taking shape as Belasis Court. They are built in pavilion style, of red brick and tile, and offer suites from 150 sq ft "rent a room" facilities up to 5,000 sq ft, or 10,000 sq ft by combining adjoining suites.

Appearances can count for a lot when a technology park in the North-East is competing for tenants with more popular parts of the country - although the high level of inquiries to date suggests that the first buildings will all be pre-let.

The main attraction of Belasis Park, however, is ICI. Large-scale rationalisation of base chemicals production has led to thousands of redundancies. More are expected. But ICI has committed itself to staying in Teesside. It has made the North-East the centre for its biochemicals business and research on advanced materials, in a bid to add potential growth sectors to its more traditional activities.

This joint venture will offer special facilities unequalled elsewhere in Britain

Tenants moving into the park will be able to tap into ICI's expertise not only in chemicals, but also in information technology - everything from plant control to the electronic office. Mr George Hunter, seconded by ICI to be chief executive of the technology park venture, says: "My role is to unlock the specialised expertise used within ICI in supporting its own businesses and to make it available to the whole spectrum of tenants."

They will be charged a fee for consultancy services, but the level will reflect ICI's agreement to subsidise such services for several years to come. The plan is that tenants will also be able to share ICI's social and sporting facilities, providing the opportunity for informal discussion between ICI people - a sort of substitute for the academic/entrepeneurial meeting which can be valuable in the development of ideas.

Mr Hunter believes the park will prove the ideal location for companies wanting to develop their association with ICI, to their mutual benefit. From ICI's point of view, this sort of link - perhaps formalised as collaborative projects - might encourage more fruitful innovation and development than it, as a large company, can foster under its own roof.

"Many potential new ventures are smothered in a company the size of ICI", says Mr Hunter. "Small business cannot be kept within the ICI umbrella. They need a different environment to ensure continued innovation." In the ever-increasing search in the chemicals business for specialist products and processes, that is an important consideration. At the same time, ICI is doing something for the communities on Teesside.

Before Belasis Hall was set up, ICI was told by consultants that it must make a high level, long-term commitment to the project if it was to succeed. This should be allied with a partner experienced in property and the needs of the market.

But companies allied to ICI activities will not be the only tenants sought. Mr Hunter is keen to convey the message that ICI does not want to smother the park. His hope is that a big company will be attracted to the location, with its quality image, and development area status which brings financial assistance from Whitehall. "I would be disappointed if we did not succeed on that score."

Teesside needs that sort of starter to get itself on the circuit of inward investment. But Mr Hunter recognises the trap of setting targets which are not within his influence to meet. "All you can do is help to influence whether companies will move. But the decision rests with them." In the meantime, Belasis Hall will provide an important new focus for innovation.

Hazel Duffy

Innovation centres

Turning ideas into products

HARSH BUSINESS realities faced by small companies frequently conflict with the needs of research and development, but innovation centres are fighting to bridge the gap.

The 14 centres in Britain, which have been set up since 1979, are intended to match ideas and inventors with capital and entrepreneurs. They aim to use public and private funds to provide the conditions for innovation that private businesses - and particularly infant companies - often find hard to create.

Although the centres have not proved a panacea for UK industry's reticence towards risk and innovation, there are signs they are taking an increasingly valuable role in nurturing ideas in the initial stages of development.

Local authorities responsible for funding the innovation centres have also learnt lessons for their future development. This should help the UK take advantage of the European Commission's rapidly expanding chain of innovation centre's linked through the European Business and Innovation Centre Network (EBN).

This Brussels-based organisation is designed to encourage the exchange of ideas and technology between member countries and takes the innovation centre concept from a local to an international stage.

In Britain pressure for centres that would enable ideas to be developed into commercial products has grown in tandem with the steep rise in unemployment since the mid-1970s. But it was not until the early years of Mrs Thatcher's administration that sufficient funds were made available through schemes intended to help deprived inner city areas.

Dr Ken Donaldson, secretary of the Association of Innovation Centre Executives (AICE), who in 1979 helped set up the Hull innovation centre, admits the attitude of local authorities was at first naive.

"The concept of an innovation in those days was that you put an inventor in a small room and when he had invented something you turned him into a businessman," he says.

Thus early innovation centres provided space and facilities for research and development but failed to recognise that project assistance had to extend beyond the laboratory and into the commercial environment.

There are signs that the centres are playing a valuable role in nurturing ideas in the first stages of the development of infant companies

"The problem is that most companies do not want to know about an untried product but the kind of people involved in innovation do not often have the resources to set up a new business," says Dr Donaldson.

Now the centres concentrate more on the transition of an untried product from experimental stages to commercial production. This may involve setting up a new company but more often individuals are advised to license their product to an existing manufacturer.

The AICE is currently lobbying the Government for grants for companies which take on new products to compensate for the extra risk involved.

Such local innovation centres are relatively small - the Hull centre, for instance, was established in a four-storey warehouse converted at a cost of £200,000. Its running costs, mostly staff earnings, are about £100,000 a year.

The Business and Innovation Centres, under the EBN umbrella, in contrast, are much larger organisations.

So far 38 centres have been established across Europe but many have been set up within the last year. Nevertheless, the 17 operational centres, spread across six countries, have swallowed £85m since 1980. Of this, public authorities, including the European Commission, have invested £48m. Universities have provided £17m and the private sector £20m.

In Britain, the European Commission's initiative is led by centres such as the Calderdale Business and Innovation Centre in Halifax, which is expected to become operational later this month. It pulls together several schemes run by Calderdale Council but the project will eventually operate as a private company using the authority's funds to pump-prime private sector activity.

"The EBN puts us into contact with other business and innovation centres in Europe," said Mr John Blackburn, head of strategy at the borough of Calderdale. "Through that network we are helping local companies sell and buy technology from and to other countries - and it is proving very successful."

The centres are meant to concentrate on the launch of innovative new companies but Mr Blackburn admits the Calderdale centre derives some revenue by charging established local companies for the services it can offer.

Mr Christopher Norman-Butler, EBN's executive chairman, believes that business and innovation centres are capable of breaking-even within a short time after their launch if they are properly planned and have adequate resources. This is in spite of higher running costs than similar institutions in the US.

So far, four of the business and innovation centres in Europe are generating sufficient income to cover running costs, a further two hope to do so within two years and another three in the next five years. No centre has yet recovered its initial capital investment.

However the success of these centres can only properly be measured in terms of the number of new companies they launch and jobs created. The latter the EBN has been unable to estimate, but a recent survey of the 17 operational centres found a total of 422 companies operating under the auspices of the centres of which 262 - or 62 per cent - are businesses set up by the centres since 1980.

In the same period just 31 companies have failed - or 4.9 per cent of the total number of tenant and graduate population. This failure rate, says Mr Norman-Butler, is considerably better than that for US "incubator centres" where levels of capital and current investment are lower.

Companies growing under the wing of the European centres are also more likely to have established export markets than in the incubator US centres or UK science parks.

Moreover the EBN takes satisfaction from figures showing that 32.2 per cent of the entrepreneurs using the facilities come from academic rather than industrial and professional backgrounds.

Such encouraging figures provide evidence that innovation centres - despite their relative immaturity - can provide a fertile atmosphere in which the ideas of innovators can be transformed into commercial products. Lessons have been learnt, but the principle of protecting infant companies from the severity of business conditions until a commercial product is established, remains intact.

Ralph Atkins

Developments in the US

Strong park/campus links

The research centre for the commercialisation of space, located at Houston, Texas. The centre was planned by CRS-Sirine of Houston.

SINCE THEIR "shake-out" in the early 1970s, university research parks have made a marked re-emergence in the 1980s. With the surge of second generation parks, many universities have joined this end of the real estate business.

One recent survey shows that 50 per cent of university-related parks are owned by the university, but the private sector is active in its own right as well as "shadow developers" on behalf of the institution.

More than 90 per cent of such parks give firms easy access to university facilities such as computers, libraries and research laboratories. Around two-thirds target specific industry groups to complement research strengths.

Technipark, Manhattan, Kansas, targets agriculture, engineering and architectural firms, the three strengths of Kansas State University. Princeton Park (Rutgers University, New Jersey) seeks out pharmaceutical and bio-tech companies, and Central Florida targets laser and electro-optics businesses.

An early tenant at Texas A & M, noted for embryo transfer technology, was Granada Genetics specialising in agricultural research and embryo transfer. One of the most successful projects from the 1950s, Swearingen Research Park, Oklahoma, stresses that most business interest comes from firms previously associated with the university. This park is home to the national Severe Storms Center, a tribute to an excellent meteorology department at the University of Oklahoma.

Promotion of high-tech and research environments can be sharply focused, as in the Biomedical Research Zone (BRZ), Memphis, a specially created enterprise district with links between advanced medical research, academe, health care institutions, and "chairs of excellence".

The targeting is two-way. For example, Factron Schlumberger sought out a headquarters location at Renssalaer Polytechnical Institute's research park, at Troy, New York. This allowed ready access to leading researchers at the Center for Manufacturing Productivity, so furthering development of a product breakthrough in circuit board tests. Added attractions include recruitment of top graduates from the Masters engineering programme.

Variation in park goals and targeting leads to differences in size and scope of tenants. While some university parks grow chiefly by nurturing local companies or spin-offs and ancillary developments from research, the tenant mix of other parks more resembles non-university parks with their national and international companies.

While many incubator-oriented parks have yet to attract a national firm, the 6,650-acre Research Triangle Park, North Carolina, has 52 national companies and 30,000 workers, dominated by IBM with 7,500 employees, on several sites is its "campus within campus" setting. Here, three universities co-operate, for example in the $40m Microelectronics Center of North Carolina, which includes a tele-conferencing and classroom network tied into five universities statewide. In addition, the Biotechnology Center attracts $5m a year as seed corn for start-up firms.

Ingredients in this crucible of high-tech and education (20 graduate courses in microelectronics, 6,000 undergraduate and 1,500 graduate students in modern electronics-related fields) are educators, students and industrialists. The crucible product is the achievement of quality to allow "US industry to get there first".

Notwithstanding these objectives and linkages, the park, like our Cambridge Science Park, remains sensu stricto a real-estate operation with land prices up 50 per cent in five years. Outside the park's restrictive boundaries (minimum 25 per cent R & D, the rest assembly), speculators have bid up to $150,000 an acre. A negative spin-off in this growth area is the squeeze on the poor and less educated through "high-tech gentrification".

Apart from the quality of life in high-image locations, mutual benefits stem from the marriage of academe and research-oriented corporations. Corporate benefits equate with access, ie to faculty, students and facilities. A university location can make accessible the facilities that even many large firms could not afford, from exotic nuclear accelerators to more common supercomputers or wind tunnels. Additional benefits flow from access to specialist faculty, and almost 70 per cent of university parks are associated with continuing education, while 60 per cent hold industrial seminars and student co-operation programes.

University gains include applied research alongside corporate counterparts, often with contracts, grant money and joint appointments. This is an added tool to attract and retain valued faculty. Economic benefits result from parks on underutilised campus property, while social benefits accrue from speeding technology transfer.

However, there is no guarantee of success. One factor that impeded earlier growth was lack of close ties between park and campus. In spite of modern communications, a site remote from campus, geographically or otherwise, defeats the main advantages of university parks. Most operators have grasped this, with currently two-thirds on or adjacent to campus.

Non-contiguous parks make special efforts to instil a "family" feeling. At Renssalaer Tech park, all tenants have university ID cards like faculty and students.

A survey by the American Association of State Colleges and Universities highlighted 10 key factors as prerequisites for success of university-related parks:

1. Entrepreneurial leadership.
2. A clear "mission".
3. Well defined and understood community and industry needs.
4. Institutional capacity.
5. A strategic location (fixed).
6. Strong working relationships with public and private sectors.
7. Availability of specialist resources.
8. Institutional culture that recognises the importance of economic development.
9. A policy climate that supports involvement
10. Special organisational arrangements.

Most of these point to human resources and involve leadership that is energetic, innovative, and strategic (political animals?). Leadership, "bottom-up" or "top-down", is seen as the most important factor in influencing successful university involvement in economic development.

The University of California, at San Diego, has an annual survey of business, and reflects needs in curriculum and research activities. Penn State identified its market niche by tailoring teaching and research capacities to the needs of the state's mature industries as well as new firms. San Jose State focuses education and applied research on high-tech industries, leaving basic research to Berkeley and Stanford.

At Arizona State University new capacity was created to meet the perceived need for more engineering graduates in Phoenix - the resulting Center for Engineering Excellence is supported by industry and the state.

Inter-university schemes are growing, and involve institutions strengthening their potential by forging formal links with a state's major universities. The "mission" of the university, based on strengths and perceived role of the institution, is critical to involvement in a given area's economic profile. The now renowned University of Utah's Innovation Center (a legally separate entity) is based on a mixed strategy of education and venture development. While academic courses on innovation and entrepreneurship occur, the main thrust is seeking and backing innovation through a business plan. In exceptional cases, the centre can take equity and royalties in return for seed money, incubator and other facilities.

In the last year, 14 new start-ups have employed over 90 in the research park. High demand has quadrupled space for technical assistance staff and incubators. The centre has enhanced the university's prestige and external finance potential. Success breeds success: in addition to a new centre at Utah State University, it intends to expand nationally with the Tennessee Innovation Center at Oak Ridge, modelled on Utah and a joint-venture with Martin-Marietta, operator of the Oak Ridge National Laboratory. Is this a model for Oxford?

In addition to encouraging innovation, incubator-oriented parks can allow new small business the access to facilities that corporate interests achieve through "buying in" with land purchase, grants, etc. Their use by Ohio University's Innovation Center and Research Park has been a fillip to entice both federal and state R & D funding.

Through the vehicle of research parks and innovation centres, economic development is rapidly increasing as a new "mission" for numerous universities. This is not incompatible with academic values, and in transition times role reappraisal is necessary. With such incipient change, new institutions, not yet dreamed of, may be created to take on the roles that "ivory tower" colleges missed. The implications and experiences to date have common cause on both sides of the Atlantic.

Raymond Towse

Dr Towse, lecturer in geography at Kingston Polytechnic, is currently visiting professor at the department of geography, Arizona State University.

FINANCIAL TIMES
Thursday September 24 1987

Bond wins Heileman with $1.26bn takeover bid

BY GORDON CRAMB IN NEW YORK

MR ALAN BOND, the Australian brewing and property financier, yesterday became the first foreigner to be granted entry to large-scale US beer making with the acceptance by G. Heileman Brewing of his $1.26bn takeover bid.

His Perth-based Bond Corporation Holdings, which produces Swan and Castlemaine XXXX, reached agreement with Heileman, the fourth biggest US brewer, after the initially hostile reaction gave way to talks this week on an improved $40.75 a share cash offer.

Bond has had to pledge to maintain Heileman's operations in Wisconsin as part of the deal. Staff and distributors have also received assurances that the new ownership will honour existing commitments.

Although the deal will increase Bond's debt load, servicing this will be assisted by the increased cash-flow. Completion of the purchase is conditional on Bond gaining at least 75 per cent control.

Mr Bond – who is ill and has remained in Australia this week – intends to use Heileman partly to boost the US presence of his own brands. Imports account for only 5 per cent of US beer consumption, and Australian products have yet to make much of an impact.

In the three weeks since Mr Bond made his intentions known the prospects of an upheaval at Heileman has raised intense fears among the conservative, German-descended communities which predominate in the area. Last week the state legislature passed a measure designed to protect the company from being acquired against the wishes of its directors.

Heileman has spread across the US from its Wisconsin base in the last 15 years by buying a succession of regional brewers. It now accounts for between 8 and 9 per cent of the domestic beer market, but analysts say that marketing failures – particularly its lack of a high-profile national brand – left it vulnerable to a bid. Its biggest line, Heileman Old Style, is the market leader in Chicago and elsewhere in America's north-central region.

It made net earnings last year of $48.3m, or $1.83 per share, on sales of $1.3bn. Some $200m of the turnover and $5.8m in profit came from a baking and snack foods side, Heileman's main non-beer business, which Bond is now expected to sell if it can under the terms of its undertaking.

Last year Bond launched Swan Export through Hiram Walker and also gained a manufacturing foothold with the $29.5m purchase of Pittsburgh Brewing.

LTV faces $2bn costs in pension liabilities

By James Buchan in New York

LTV, the diversified steel group struggling to emerge from bankruptcy proceedings, has suffered a setback with the announcement from Washington that it must shoulder more than $2bn in unfunded pension liabilities.

LTV, which sought protection from its creditors last year under Chapter 11 of the US Bankruptcy Code, vowed to fight as "illegal" Monday's decision by the Pension Benefit Guaranty Corporation to stop funding the company's three main pension plans and return them to LTV.

The decision, announced after weekend talks with LTV officials, is unprecedented in the agency's history. It insures the pensions of some 40m employees and is running a yawning deficit.

The return of the liabilities could wipe out many of the cost savings the second-largest US steelmaker has reaped from Chapter 11, lifting some pressure from its competitors.

The federal insurer, which took over the three pension plans at the company's darkest moment last January, was infuriated by a deal done by a much healthier LTV with the United Steelworkers in June. The contract restored certain benefits to pensioners.

The agency "does not subsidise ongoing pension plans," said Ms Kathleen Utgoff, the insurer's executive director. With LTV earnings around $252m in operating profits in the first half to June, the agency was not going to "subsidise company profits."

Mr Raymond Hay, LTV chairman, said the company would not recognise "this unlawful attempt to return the pension plans," which LTV could still not afford to fund. But he said the company would make "interim payments at current levels."

Pickens halts Newmont buying by Gold Fields

BY JAMES BUCHAN IN NEW YORK

CONSOLIDATED GOLD Fields, the UK mining finance house, was restrained in a Delaware court yesterday from buying further stock in Newmont Mining to thwart a hostile takeover bid for the US gold and resources group by Mr T. Boone Pickens, the Texas oil man.

The temporary restraining order, issued to Mr Pickens and his group of investors yesterday morning, left open the status of 15m-odd shares in Newmont Mining picked up by Gold Fields' investment banker in a breathtaking $1.5bn sweep of the stock market on Tuesday.

But with Gold Fields' holding now thought close to the 49.9 per cent permitted in an agreement forged this week with Newmont's management, the Pickens group was given little chance of succeeding in its tender offer to gain a 51 per cent holding and control of the New York company.

Newmont stock, which climbed as high as $99 in feverish trading on Tuesday, was quoted at $93⅞, down $1⅛, at noon yesterday. This is well short of the equivalent of $105 a share which the Pickens group has offered. But the Pickens offer is contingent on the group gaining 51 per cent.

The Delaware chancery court said the order would be in force until it could hold a hearing on the demand of the Pickens group for an injunction against Gold Fields. The Pickens group, known as Ivanhoe Partners, alleges that the shareholding agreement with Gold Fields is a "lock-out scheme" which denies value to other shareholders. It also accuses the two companies of misusing inside information about Newmont Mining.

Although the market gives Mr Pickens little hope of controlling Newmont Mining, his group is sitting on a substantial profit on its 9.9 per cent investment. The group should reap a gain of some $220m, as its part of a special $33 a share dividend promised by Newmont.

Analysts expect the group to break even or take a small loss on its actual stock position. They expect Newmont's stock to fall to $60-$63 after the dividend is paid, a little under the group's average cost of $64.50.

Santa Fe in $3.4bn share buyback

By Our Financial Staff

SANTA FE Southern Pacific, the US rail and resources group which is undergoing a substantial restructuring, plans to buy up to 60m of its 157m common shares, for about $3.4bn at current prices.

The restructuring also includes an initial public offering of a portion of the stock of Santa Fe Energy, an oil and gas development subsidiary, and the transfer of developed income-producing property valued at about $300m into a new property investment trust.

Santa Fe is under federal orders to dispose of one of its two rail systems because of anti-competitive concerns. In late June, the company said it planned to sell several subsidiary companies not considered to be part of its core businesses.

Santa Fe said the timing of the planned repurchase will depend on market conditions, the progress of its divestiture plans and other investment alternatives.

It added that the shares repurchased in the buyback would be paid for with proceeds from the divestitures, the energy company's initial public offering, and some debt.

Santa Fe said it has not determined the exact portion of Santa Fe Energy stock to be sold, but that it would be up to 20 per cent. Under the property investment trust plan, the majority of the stock in the trust would be distributed to Santa Fe shareholders as a special dividend.

All properties being considered for transfer into the trust are developed and include commercial and industrial property, much of which is in California, the company said.

Santa Fe said it has had a 50m common share buyback plan in place since 1985 and has repurchased about 33m shares so far. It could not clarify if this week's authorisation to repurchase 60m shares includes or excludes the balance not purchased under the old plan.

Imasco to cut trust holding

By Robert Gibbens in Montreal

IMASCO, the Canadian tobacco products, fast food and retailing group will soon begin reducing its indirect 99 per cent interest in Canada Trust, one of the country's two largest trust companies, to 65 per cent to meet federal guidelines.

The Government wants non-financial holding companies to limit their ownership of financial institutions other than charter banks to a maximum of 65 per cent. The chartered banks come under separate ownership rules, and no one holder can own more than 10 per cent.

Imasco completed the acquisition of Genstar for C$2.6bn (US$1.97bn) earlier this year. It then sold off most of Genstar's non-financial and property assets and kept Canada Trust.

The 99 per cent holding in Canada Trust has been placed in CT Financial Services, a new unregulated holding company, in exchange for all the shares of CT Financial.

Dow Chemical buys hair care group

BY OUR FINANCIAL STAFF

DOW CHEMICAL, second largest US chemicals group, took steps to improve its appearance yesterday by signing a difinitive agreement to acquire Lamaur, a family-run Minneapolis-based hair care group, for $171m or $28.50 per share.

The deal will expand Dow's presence in the consumer products sector, where its business ranges from cough and cold preparations to plastic films and detergent.

The agreement is a big blow for Alberto-Culver, the Illinois based hair care and beauty aids group, which has wanted to buy Lamaur for 10 years.

Earlier this year it launched a hostile $22 a share bid, later raised to $24.

Although the value of Alberto-Culver bid was not big by US standards, it had been closely watched on Wall Street as a test of Minnesota's recently introduced anti-takeover laws, designed to prevent takeovers that are followed by corporate break-ups.

However, Alberto has now withdrawn from the fray following Dow's intervention.

Lamaur's main products are Style shampoo and conditioners and Perma Soft permanent wave care products. Last year it earned $5.1m on revenues of $127m.

Dow said it would start a tender offer for all Lamaur shares as soon as possible. The tender will not be conditioned on receipt of any minimum number of shares.

Hoover to tap UK dishwasher demand with licensing deal

BY ANDREW BAXTER IN LONDON

HOOVER, the household appliances group owned by Chicago Pacific of the US since 1985, is actively seeking a licensing deal to produce dishwashers in the UK.

The dishwashers would be produced at Merthyr Tydfil in Wales, the Hoover headquarters in the UK since the $533m takeover of Hoover by Chicago Pacific, a former bankrupt railway whose recent household product acquisitions include the Rowenta line of small appliances.

Mr Harvey Kapnick, chairman and president of Chicago Pacific, said in London yesterday that addition of a dishwasher line would further absorb overheads after the completion of modernisation and cost-cutting at Merthyr.

Hoover's dishwashers for the UK market are currently imported from Spain. Candy is the only company to assemble dishwashers in Britain.

Mr Anthony Williamson, managing director of Hoover UK, said the company was being "very energetic in two to three areas" with a view to buying a licence. This would be quicker than starting from scratch with a new design.

He noted that the UK market for dishwashers had risen from 200,000 units per year in the early 1980s to 375,000 this year, and forecasts suggested this would rise to 550,000 over the next two to three years.

Chicago Pacific has invested $32.8m in the UK since the takeover and Mr Kapnick said "we would not mind some more investment." Employment in the UK has been roughly stable at around 4,900 since 1985, and a fully integrated dishwasher line would add another 100 jobs.

Chicago Pacific's $900m in acquisitions over the past two years are part of a plan to create an international home products business. This includes up-market furniture for homes and offices, and the introduction of the Rowenta brand to the US, Canada and Australia, where it is hoped aggregate sales will exceed $60m in three to five years.

Mr Kapnick said Rowenta had been marginally profitable on $9m of sales in its first year in the US, reflecting heavy promotional costs. The aim was to maintain Rowenta's reputation for innovation in small appliances, an area where the Hoover name had never been successful in the US – in contrast to its dominant position in vacuum cleaners, or "floorcare products" as Mr Kapnick called them.

Mr Kapenick indicated that the company was unlikely to undertake a big acquisition in the next two to three years.

Strong gains at Elders Resources

BY BRUCE JACQUES IN SYDNEY

ELDERS RESOURCES, the mining and marketing arm of Mr John Elliott's Elders group, has announced a tax-free one-for-three bonus issue following a strong profit performance in the latest June year.

Higher gold prices and share trading profits helped the company to boost equity-accounted after-tax profit from A$42.2m to A$53.04m (US$39m) on a massive increase in revenue from A$60.3m to A$460.3m.

The company is paying a final dividend of 4c a share, making 7c for the year, its first as a dividend payer. The company also paid tax for the first time in the year with a bill of A$11.88m. The equity share in the profit rose from A$7.2m to A$11.8m, interest took A$10.7m (A$3.3m previously) and depreciation A$5.02m (A$286,000).

Mr Geoff Lord, the managing director, said he expected revenue in the current year to be between A$1.5bn and A$2bn, mainly through the group's fast-expanding marketing operations. He pointed out that the company was sitting on A$250m worth of unrealised share trading profits, although the result did include a A$12m profit from the sale of shares in TMOC Resources.

Mr Lord said the group controlled about 150,000 annual oz of gold production, mainly through its Red Dome and Starra projects. He said shareholders would be offered a dividend reinvestment plan, a share investment scheme and an interest investment plan.

This would give shareholders flexibility. The group's balance sheet shows shareholders' funds of about $A462m and virtually no debt. Results of the company's parent group, Elders IXL — probably its last before the group is broken up — are expected on Friday.

Westfield plans US spin-off

BY OUR SYDNEY CORRESPONDENT

WESTFIELD HOLDINGS, the Australian shopping centre developer, plans to spin off another company, this time in the US. It is transferring the group's US shopping centres into a new vehicle to be called Westfield International.

Shareholder entitlements to shares in the new company will be free — they will receive one share in the new company for each share already held, indicating that about 95m shares with a par value of $1 will be issued.

The decision to make the issue free contrasts with Westfield's approach a couple of years ago when it floated its investment in a new vehicle, Westfield Capital, in a four-for-one issue at A$1.25 a share.

Mr Frank Lowy, chairman, said the new company would have shareholders' funds of about $250m and would own and manage the company's seven existing US shopping centres which were valued at about $850m.

He said Westfield Holdings' dividend payment would be maintained following the transaction, and would be amply covered by increasing Australian profits. Listing of the new US company would intially be sought in Australia and London followed by New York.

Westfield's US operations earned $7.4m after tax in the 1987 financial year. Mr Lowy said the new vehicle would be able to raise international capital more easily as a US entity and would not require funds from Australia.

The split would also allow investors to choose between Australian and US dollar investments, with foreign investors likely to find the US vehicle more attractive.

Mr Lowy said the move continues the Westfield Group's policy of regularly providing new opportunities for investors. It launched the Westfield property trusts in the 1970s, offered rights to Westfield Capital Corporation in the 1980s and also made an innovative preference share issue last year to celebrate its 25th anniversary.

Taiwan listing for Evergreen

BY ROBERT KING IN TAIPEI

EVERGREEN MARINE, the Taiwanese affiliate of Evergreen International, the world's largest container shipping line, has this week become the first of eight newly-approved companies to list on the Taiwan Stock Exchange.

Evergreen's listing of 41m shares, which represents about 5 per cent of the company, was considered such a bargain by local investors that the issue was oversubscribed 50 times.

The stock opened Monday at NT$35 (US$1.16) a share, and has been rising at its daily permitted ceiling of 5 per cent per trading day.

The public considers the Evergreen stock a hot item despite nagging questions over the company's financial condition.

A shipping industry analyst recently put the firm's total indebtedness at about $1bn as a result of a rapid expansion of its fleet between 1983 and 1986. Service on this debt, the analyst estimated, could run as high as $100m a year, compared with the Evergreen Group's reported 1986 profits of $58m.

Evergreen recently announced plans to build container vessels, yachts, and marine diesel engines at a planned new facility in central Taiwan.

It has since scrapped the container vessel component of its plan. But analysts say the expansion could be the reason for the public offering.

New listings are greeted with unusual enthusiasm in Taiwan because of relatively limited opportunities for investment.

Only 138 firms, including Evergreen, have been listed, and of that number, several have not traded shares in years.

Having whetted its appetite on the Evergreen offering, the public is awaiting the listing of seven more companies, including food processors, steel makers, a petrochemical concern, and an electronics firm which have already received SEC approval.

One of these, ADI, a computer-terminal manufacturer, which three years ago was the first Taiwanese firm to acquire control of a listed American corporation, is expected to issue its shares at the beginning of October. Stock exchange sources say they expect as many as 20 new listings by the end the month.

South African union seeks German help

By Anthony Robinson in Johannesburg

MR LES KETTLEDAS, a black South African trade union leader, has flown to the IG Metall headquarters in Frankfurt to seek German union support for 2,800 striking black workers at the East London plant of Mercedes Benz South Africa, the wholly owned subsidiary of Daimler Benz. The strikers were sacked on September 9.

The latest move follows the breakdown of talks during which Mercedes offered an additional R27 per month attendance allowance and undertook to raise the R4.04 per hour minimum rate to R4.38 in January. The union, which went on strike on August 4 over its claim for R5 an hour minimum, then asked management to bring the wage rise forward and incorporate the new allowance to give an hourly rate of around R4.50.

Management refused to make any further concessions, pointing out that its minimum rate offer already represented a 37 per cent increase since January and raised the minimum monthly rate from R572 to R780. In addition the company pays an annual bonus of one month's pay and three weeks' paid holiday which it said "compares more than favourably with the best in South Africa."

The company has now placed advertisements in the local press offering to re-employ those sacked employees who re-apply for their jobs before Friday, September 25. It is also preparing to recruit a new labour force. Mr Viwe Garisa, local secretary of the National Union of Metalworkers (NUMSA), said workers had voted unanimously by a show of hands to continue the strike and were picketing the strike-bound plant. Three union members were arrested by police yesterday, he added. Production of Mercedes and Honda cars and Mercedes trucks has been halted for the past seven weeks in what has developed into the biggest labour dispute in the motor industry since General Motors sacked over 500 workers just prior to disinvesting from South Africa last year.

National Australia Bank turns down Spalvins

BY OUR SYDNEY CORRESPONDENT

THE National Australia Bank has rejected a request from Mr John Spalvins' David Jones group for two seats on the board —confirming the stand-off which has developed between the two

Mr Spalvins made the request after accumulating a 12 per cent stake in the bank. He has since been given permission by Mr Paul Keating, the Federal Treasurer, to lift that interest to 15 per cent.

The Treasurer's apparent endorsement of Mr Spalvins as a bank investor has clearly not impressed the National's board, which yesterday said it did not consider that Mr Spalvins' shareholding, of itself, justified board representation.

Mr Spalvin's share buying splurge on National shares was the first of its type in one of the "big three" Australian trading banks,

The Nation's stance comes as no surprise. Following Mr Spalvins' emergence as owner of a 10 per cent stake, National directors issued a statement of general opposition to any shareholder moving above the 10 per cent limit

Asia Securities buys gold mining stake

HONG KONG's Asia Securities International has agreed to acquire a 38.9 per cent interest in Australia's publicly-listed Broken Hill Holdings for A$19.4m (US$14.2m), Asia Securities said, AP-DJ reports from Hong Kong.

The company has agreed conditionally to buy 6.7m of the gold miner's shares for A$1.48 a share from a company owned by Mr Bill Wyllie, Asia Securities' chairman, and his family.

Neptune Orient rights issue

Singapore's national shipping company, Neptune Orient Lines, (NOL) plans to raise about S$440m (US$210m) through a one-for-one rights issue, Reuter reports from Singapore.

Neptune said the issue of up to 199.34m new S$1 shares will be offered at S$2.20 each with transferable subscription rights (TSR), giving the TSR holder the right to subscribe to further shares at S$2 each. It is subject to the approval of shareholders and Singapore's stock exchange.

INTL. COMPANIES and FINANCE

Elf-Aquitaine earnings slide 35% at mid-term

BY PAUL BETTS IN PARIS

ELF-AQUITAINE, the French state-controlled oil group, yesterday reported a 35 per cent decline in net consolidated first-half earnings, to FFr 2.2bn ($363m), compared with profits of FFr 3.4bn last year.

Group sales also fell in the first six months to FFr 62.5bn from FFr 69bn in the same period last year. The sales decline reflected the fall in gas prices as well as those of refined petroleum products.

Cash-flow totalled FFr 7.5bn in the first half compared with FFr 11bn. The company said first-half cash flow enabled it to maintain the same level of investments as in the comparable first half.

The company said the earnings decline was due to falls in both upstream and downstream income. The decline in upstream earnings was largely the result of lower French and North Sea gas income.

In contrast, earnings from crude oil production improved, especially in Africa, because of the improvement in international oil prices.

The French oil group also said that margins declined in its French and foreign downstream operations.

The group's chemical activities, however, showed strong earnings improvements, especially French operations and the health-care and bio-industries sectors.

Nestle sizes up Beatrice purchases

By Our Financial Staff

NESTLE, the Swiss foods multinational, is interested in acquiring some of the operating companies of the former Beatrice group, taken private in a $6.4bn leveraged buyout last year.

Mr Reto Domeniconi, Nestle's finance director, said: "We are interested in acquiring their operations in Latin America, Australasia and Asia." He declined to name the value of possible bids which Nestle may make.

Beatrice has sold or spun-off about 45 per cent of its assets since going private in April 1986.

The TLC group of the US is currently acquiring some of Beatrice's international assets and its is expected to then resell them.

Mr Domeniconi said Nestle was carrying on negotiations with TLC and that the "next round" of activity was likely to begin on October 1, when it should become clear whether TLC can finalise its agreement with Beatrice.

A purchase by Nestle from TLC would at that point depend on legal and fiscal questions and on the price, Mr Domeniconi said.

Finnish paper group lifts pre-tax profits by 18%

BY OLLI VIRTANEN IN HELSINKI

ENSO-GUTZEIT, Finland's largest forest industry group, has reported an 18 per cent increase in profit before appropriations and taxes, to FM 236m ($54m).

For the first eight months of 1987 the group turnover totalled FM 5.23bn, up 14 per cent from the same period in 1986.

Enso cites steadily rising prices, stable raw material markets and increased production capacity at several mills as the biggest contributors to the improved result.

Negative factors include the weakness of the dollar, which boosts the competitiveness of North American paper groups, as well as decreased exports to the Soviet Union.

The paper division, Enso's biggest division, reported a 22 per cent rise in net sales to FM 3.43bn, including FM 334m of pulp fine paper and paper board sold by the Varkaus plant.

Enso bought the plant from Ahlstrom, the paper and metal industry group, in March 1987.

Sales of the mechanical forest industry division grew by 46 per cent, to FM 726m, much of which comes from two new saw mills Enso bought during the period.

Eurocan, Enso's subsidiary in Canada, performed well due to the weak dollar, which helped it export sack paper to Europe. Production increased substantially, but net sales in Finnish marks remained at the same level as last year.

Enso, which will invest a total of FM 2.5bn in modernisation this year, expects its turnover for the year to rise to FM 8bn, up from FM 7.1bn in 1986.

L'Air Liquide ahead

L'AIR LIQUIDE, the French industrial gasses group, yesterday reported a 10 per cent increase in first-half consolidated net income and a 19 per cent advance in first-half sales, writes Paul Betts from Paris.

Net earnings, excluding minority interests, totalled FFr 685m ($113m). Sales were FFr 11.7bn.

The advance in earnings and sales reflects the recent series of acquisitions by the French group, including the takeover of Big-Three Industries in the US last year.

Gotabanken hit by loss on UK share trading

By Kevin Done, Nordic Correspondent

Gotabanken, the fourth largest publicly quoted bank in Sweden, increased group operating profits by 7 per cent, to SKr 353m ($5.3m), for the first eight months of 1987 following losses at its London and Luxembourg subsidiaries.

The parent bank increased operating profits by 21 per cent, to SKr 368m, but the group results were dragged down by the poor results of subsidiaries.

Against a profit last time, Gota (UK) incurred total losses of about SKr 25m in the eight months, chiefly as a result of share trading problems.

Gotabanken said yesterday that the direction of the UK operation was to be changed with the introduction of a new top management. Mrs Annabelle Svedberg, managing director of Gota (UK), left the bank in mid-August, but is remaining as a consultant for three months.

The bank said the UK subsidiary would be reorganised into a branch operation with the creation of a separate investment banking subsidiary.

Gotabanken, which is part of the recently created Gota Group, a financial services concern dominated by Proventus, the Swedish investment company which holds about 40 per cent of the equity, said the profitability of the parent bank had been boosted both by higher interest earnings and a big drop in credit losses and bad debt provisions.

Hypobank plans rights issue

By Our Frankfurt Staff

THE large West German bank, Bayerische Hypotheken- und Wechselbank (Hypobank), is to raise DM 437m ($240m) by the end of October via a one-for-10 rights issue.

The bank will issue the shares at DM320 each. The transaction, which will increase its basic capital by DM 68m—to DM 751m—is its fifth capital-raising exercise since a decision in May 1985 authorising it to increase its basic capital by up to DM 250m.

The latest deal, which will boost the bank's own funds to almost DM 3.5bn, will be used to bolster its balance sheet in respect of new business this year and allow it "some room for manoeuvre for future profitable business," the bank said. However no acquisitions were planned according to a spokesman. Hypobank shares closed DM 7 higher at DM 518 in Munich yesterday.

Iberia considers Madrid equity offer

BY TOM BURNS IN MADRID

IBERIA, the Spanish national airline, may place shares on the Madrid bourse to help finance a big fleet re-equipment programme.

The airline is shortly to take a final decision on the acquisition of up to 34 new aircraft. Mr Narcis Andrev, the chairman, said orders could be placed before the end of October.

Mr Andrev also reported a dramatic upturn in group fortunes: Pre-tax profits for the first eight months of this year totalled Pta 8.7bn ($71m) and profits of Pta 10bn were forecast for the whole of 1987.

Iberia returned a profit of Pta 880m for 1986, following losses of Pta 11bn in 1985.

Mr Andrev said Iberia's radically improved financial position would allow it to finance the fleet programme substantially from group resources. The investment might call for some sort of share offering, he added.

Iberia is planning to spend about Pta 160bn on the purchase of 15 150-passenger aircraft, to replace existing 727s, and between 17 and 19 110-passenger aircraft to replace its DC-9 fleet.

The Airbus 320, built by the European consortium in which Spain has a 4.2 per cent stake, is believed to be a front-runner to replace the 727s and both Boeing and McDonnell Douglas are competing for the contract to supply the smaller aircraft.

Mr Andrev said he hoped to raise about Pta 30bn through the sale of the aircraft that would be phased out of the fleet.

He said that both Iberia and the public sector holding company Instituto Nacional de Industria, which owns the airline, had been reviewing plans aimed at placing a minority block of Iberia shares on the Madrid bourse.

Alusuisse move cleared by court

By John Wicks in Zurich

AN APPEAL COURT judgment has cleared the way for Alusuisse, the Swiss aluminium group, to halve its capital.

The move is a key element in a financial reorganisation, following group losses totalling about SFr 1.44bn ($960m) in 1985 and 1986.

In May, however, the Swiss authorities refused to register the transaction, mostly on a technicality. The company subsequently appealed.

American General fails to please with option deal

BY STEPHEN FIDLER AND CLARE PEARSON

US TREASURY bond prices traded nervously lower in Europe yesterday, while Eurodollar bond prices closed slightly higher after losing their early gains.

Eurodollar bond prices ended up by ⅛ to ¼ point, after closely tracking the US Treasury market and the value of the dollar all day, but traders said there was little evidence of retail buying.

Sterling bonds lost their fizz, after what were judged disappointing results from yesterday's auction of long-dated gilt-edged stock. Gilt prices ended down at the longer end of the market by more than ½ point, as dealers reported little retail interest. In the primary market, American General, the fourth-largest publicly traded insurance company in the US, launched a $150m issue through *Credit Suisse First Boston.* The issue was given a 9 per cent coupon and a 100⅝ issue price, and *carries a final maturity of* seven years, but the investor has an option after three years to redeem the bond at par.

The bond was priced at 50 basis points over US Treasuries, at least 15 basis points less than the borrower would typically have paid. The idea was that investors would be willing to give up some yield for what is effectively the option on a four-year bond at 9 per cent in 1990.

But the issue was not met *with great enthusiasm* and traded at a discount of up to 1⅞ per cent, greater than its 1⅞ per cent fees.

Late in the afternoon, UBS Securities *surprised* the market by announcing two three-year

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dollar deals for American Telephone and Telegraph Credit Corporation and Ford Motor Credit.

Ford Motor Credit's $200 9¾ per cent bond, priced at 101¼ was immediately bid well outside the 1⅞ per cent fees at less 1⅞ although it then *recovered to close at less 1¼.* However, UBS Securities said that the bond gave an initial *60 basis* point yield pick-up over US Treasury bonds.

AT&T's $100m issue, which carries warrants to buy gold, came in the wake of the successful gold-linked bond in Canadian dollars issued by the Canadian Federal Business Development Bank on Tuesday.

Both issues were designed to take advantage of the increased interest in gold stimulated by escalating friction in the Gulf. AT&T's issue was quoted within fees at less 1¼ bid. The $100m 9¼ per cent bond, priced at 112⅝, carries two-year warrants to buy the cash equivalent of one ounce of gold at $463.

CSFB led a convertible for CDC Life Sciences, a Canadian health care group. The $75m issue with a final 2002 maturity was given an indicated coupon of 5.75 to 6 per cent and a conversion *premium indicated* at 22 to 25 per cent. It was quoted at its issue price.

Taking advantage of strength in the Australian dollar sector, Deutsche Bank Australia launched a A$100m three-year issue, through Deutsche Bank Capital Markets, which was soon boosted to A$125m. The bonds, proceeds of which will *be swapped,* carried a coupon of 12⅝ per cent and a 101½ issue price.

Late in the day, Solvay, the Belgian chemical company, launched a FFr 500m bond with a *five-year maturity,* a 10½ per cent coupon and a price of 101⅝. Lead manager is Credit Commercial de France.

West LB Finance launched a DKr 300m, six-year issue with a 10½ per cent coupon and a 99¾ issue price. Joint lead managers were Sparkassen SDS and Westdeutsche Landesbank.

Fuji International launched a $30m five-year floating-rate note issue secured on Japanese ex-warrant bonds. The deal, for Sprint, a special purpose vehicle, pays interest at 20 basis points over six-month London interbank offered rate and is priced at 100.10.

Domestic and foreign D-Mark bond markets were unchanged in quiet trading. The Bundesbank announced details of its latest 28-day repurchase agreement, at a rate of 3.65 per cent, five basis points higher than in recent operations.

The Swiss market was largely unchanged, although short maturities ended a touch firmer.

Insurer raises SFr 48m

HELVETIA UNFALL, the Swiss insurance company, has raised its participation certificate capital by a *nominal SFr* 1.75m to *SFr* 20m through a private placement of 14,000 new certificates, Reuter reports from Zurich.

Bank Julius Baer has arranged the placement of the certificates at market prices. The certificates have recently traded at around SFr 3,400 each in Zurich, so that the placement has raised approximately SFr 48m ($32m).

The proceeds will be used to expand Helvetia Unfall's business *activities.*

Argentina issues $1bn of debt swap bonds

By Tim Coone in Buenos Aires

THE FIRST issues of a new series of Argentine bonds *denominated in* US dollars, known as "Bonex '87," are to be made today by the Argentine central bank. They are intended to provide an imporatant impulse for the country's debt-for-equity swap scheme.

The entire series is worth $1bn and will be released onto the market through a series of *public tenders made via the* state-owned Banco de la Nacion. Previous Bonex issues were *generally sold at a discount* on their nominal face value.

An additional advantage of the bonds is that they can be purchased in local currency at the *official* exchange rate, and later freely negotiated in the local money market at the parallel exchange rate which is currently 35 per cent higher than the official rate.

Under new regulations issued earlier this month, the Bonex 87 bonds will be acceptable as counterpart *funds* necessary to carry out debt-for-equity swaps. Under Argentina's debt capitalisation *scheme, for every* dollar of debt converted to equity investment, a further dollar of "*fresh*" *money or counter*-part funds has to be added—the aim being to encourage genuine *new investment* in Argentina.

The potential cost of the one-for-one requirement can therefore be significantly reduced by taking advantage of the difference between the parallel and official rates for the US dollar. Potential foreign investors also have the advantage that Argentine debt paper *is* now selling at only about 45 per cent of its face value in the secondary markets.

By buying Argentine paper on the secondary market and coverting it into an equity swap by utilising the new Bonex 87, a foreign investor can obtain an exchange rate for his dollar investment *almost double that of the* official exchange rate.

The capitalisation scheme allows up to $300m in debt-for-equity swaps to be made during 1987, which will be increased to $400m per year in the coming four years, with the aim of capitalising a total of $1.9bn up to the end of 1991. The new bond issue should provide sufficient resources to cover over 50 per cent of the additional one-for-one *funds* required in the capitalisation scheme.

At present there are some $3.75bn of Bonex in circulation from the 1980, 1981, 1982 and 1984 series. Being freely negotiable, they are widely used to transfer foreign exchange in and out of Argentina and have proved reliable sources of investment.

The bonds are redeemable in any currency over a 10-*year period, and carry* an annual interest rate equal to London interbank offered *rate, which is paid every six* months. They are also widely used in the Argentine financial market as guarantees for loans in local currency, for which their owners also obtain a *further* income.

Brazil bans broker over default rumour

By Ann Charters in Sao Paulo

BRAZIL'S Central Bank has refused to continue dealing with Correctora Conveneao, a leading securities firm, after Mr Eduardo da Rocha Azevedo, a director of the firm and president of the stock exchange, warned that the bank was considering a *small-scale default on internal* public debt.

Corretora Convencao was *one of the leading 15 firms* that the Central Bank has used over the last 12 years as a primary dealer in Treasury bills.

The authorities' irritated reaction to Mr Rocha's claim has led him to state that he considers himself the first political victim of the Sarney government. He insists that his *statement* was based on a study under consideration in the Central Bank.

Financial analysts believe the central bank's retaliation is out of proportion to the magnitude of the comment. One leading trader commented that "at the end of the day, Mr Rocha did something in favour of the market. If the Central Bank *did* have such plans in mind, it is now very difficult to put it in place."

Mr Rocha, who has been an inactive director in Corretora Convencao since assuming the *stock* exchange presidency, said he *would take* no action to lift the one-week-old ban on the firm as a primary dealer.

Since Brazil declared a moratorium last February on interest payments due on its medium and long-term *foreign* debt, there has been speculation that a growing public sector deficit could force a similar move on domestic debt.

Eurobond clearers play an Ace

BY CLARE PEARSON

FROM NEXT Monday, Euroclear *and* Cedel, the two Eurobond clearing systems, will be introducing a new computerised trade matching and confirmation system. It is designed to streamline settlements procedures in order to help cope with the steep *increase in recent years in* Eurobond turnover.

The system has the backing of the Association of International Bond Dealers and is termed Ace — an acronym for the initial letters of the two clearing systems and of the AIBD itself.

The automated confirmation system could substantially reduce the time currently spent by settlements departments in manually checking telex and mail confirmation notes.

In addition, the Ace service is seen as a means of tackling the growing problem of unmatched trades in the Eurobond market. According to one estimate, failed trades currently account for between 10 and 15 per cent of all Eurobond turnover. *In the first half of* this year, total turnover was worth well over $2,000bn.

Initially, use of the system will be optional, but the AIBD *is providing* rules to make the input of basic trade information—such as details of price and the date a trade takes place—mandatory by next June.

However, the AIBD is planning to introduce its own matching service by the end of next year. This will operate virtually on a real time basis, enabling dealers to spot problems throughout the day, before the back office steps in.

In the Ace system, the clearing houses say firms will need to input trade details by 10 am London time on the day after a transaction has taken place.

This is meant to prevent settlements departments from leaving the entry of trades until the end of the seven-day settlement period is looming. As the volume of *transactions has* grown, this has resulted in an increasing number of unmatched trades not being detected.

Although the Ace system will go some way towards alleviating this problem, dealers said yesterday that they expected initial take-up from the market to be slight. "Many houses are simply not geared up to having all the information available quickly enough," said one.

Separately, a spokesman for the AIBD said yesterday that 26 firms *had* now offered to act as guinea pigs during the testing stage for its Trax real-time matching system, which was approved in principle by the membership at the association's last annual meeting in Oslo in May.

The Trax system was originally conceived as a corollary of the AIBD board's scheme to introduce a screen-trading system in the Eurobond market. It was forced to back down from this suggestion *earlier this year in the face of* opposition from leading firms which were worried about the threat to profitability visible prices would constitute. Trax, however, was almost unanimously supported by market-makers.

Unlike Ace, *which is geared* to settlement departments, Trax is designed as a risk-management tool to enable traders to spot failed trades throughout the day. Only the basic details of the trade need be entered.

It is also hoped that the system will *provide* the basis for an index enabling futures and options exchanges to launch contracts based on Eurobonds.

Credit Lyonnais to buy 40% of stockbroker

BY GEORGE GRAHAM IN PARIS

CHOLET DUPONT, the third largest French stockbroker, plans *to* sell a stake of around *60 per cent in its capital* to Credit Lyonnais, the state-owned bank, and a group of French and foreign investors.

The deal is still subject to the approval of the French Government, and will take place in *stages* from next year following the introduction of a new stock exchange law, which is expected *to be passed in the parliamentary* session opening next month.

Unlike other stockbrokers which have already announced *their plans for* teaming up with outside shareholders, Cholet has sought to avoid complete control by *its* new partner.

Credit Lyonnais is expected to take around 40 per cent of the caiptal, but the 20 per cent divided among a group of French and foreign banks and industrial companies is designed to provide a counterweight.

Cholet Dupont offers Credit Lyonnais, one of the most active campaigners for an early privatisation, a strong presence in the equity market. The bank, France's third largest, is strong in the bond sector but reckoned to be less developed *than its* rivals *such* as Societe Generale in equities.

The French bank is expanding its international equities business through the acquisition in London of Alexanders Laing and Cruickshank, the *brokerage* house, as part of the takeover of Mercantile House by British and Commonwealth.

ALC, however, has relatively little involvement in the French market. In contrast, Banque Nationale de Paris and Societe Generale, Credit Lyonnais' main French rivals which are both taking control *of* small Paris brokers, already have independent operations in London making markets in French shares.

The deal is expected to receive Finance Ministry approval by early October.

Asko seeks to lift stake in Massa to 49.9%

BY HAIG SIMONIAN IN FRANKFURT

ASKO, THE *fast* growing West German retailer, which in July bought a 24.99 per cent stake *in* Massa, another large discount chain, wants to increase its stake to a ceiling of 49.9 per cent.

The decision will trigger an automatic investigation by the federal cartel office, based in Berlin. In the meantime, Asko will be prevented from buying any further Massa shares.

On Monday Asko shares plunged DM 61, or nearly 7 per cent, to DM 837 on rumours that the cartel office would review the company's existing 24.9 per cent holding in Massa. Asko's share price has recovered somewhat since, and *closed DM 5 higher at DM 870* in Frankfurt yesterday.

Asko yesterday stressed that it wants Massa to *remain a fully* independent company with its own stock exchange quotation. The combined Asko-Massa group would only be the country's eighth biggest food retailer, it said.

Reuters launches options trading system in Europe

BY OUR EUROMARKETS CORRESPONDENT

REUTERS, THE news and business information group, has launched a new quotation and analytical system for options traders in Europe.

The new system, which it calls Schwartzatron, is already in use in the US where there are about 500 terminals in existence. Reuters acquired the product when it took over the Chicago-based Network Utilities in October last year.

It is meant to provide information on all options on stocks, indices, commodities and financial futures in the US, of the underlying markets and instruments, and the analytical tools to make trading decisions. The plan is to extend the service to all option markets worldwide.

● The London stock exchange's traded options markets will introduce options today on Unilever and Wellcome shares, bringing the total of equity options to 54.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

Closing prices on September 23

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UK COMPANY NEWS

Bank of Scotland tops City hopes

BY DAVID LASCELLES, BANKING EDITOR

Bank of Scotland yesterday reported a small improvement in first half pre-tax profits despite making a large provision against its Third World loans.

The results were considerably better than expected, and the group's shares rose by 33p to close at 601p.

Operating profit in the six months ending August 31 was £77.9m, up 38 per cent on the £56.3m earned in the same period last year. The exceptional provision amounted to £21.5m.

At the pre-tax level, profits totalled £55.7m, up slightly on last year's £55.2m. Earnings per share rose to 27.5p from 26.9p. The interim dividend is 6.6p, up from 6p per share.

The provision followed similar action by other leading UK and US banks and brings Bank of Scotland's provisions up to 30 per cent of its Third World exposure, though the charge for specific countries varies widely.

The bulk of the large increase in operating profit came from the strength of Bank of Scotland's conventional banking business and a widening of margins between the cost of deposits and interest earned on loans.

Mr Bruce Patullo, the chief executive, said that business "was remarkably buoyant right across the UK." Without the exceptional provision, the bank's profits would have been 47 per cent higher.

Among the group's subsidiaries, the North West Securities finance house increased profits by 7.3 per cent to £13.2m, and the British Linen Bank merchant banking arm earned £4.1m, up from £3.1m. The newly acquired Bank of Wales earned £1.3m.

Although costs were higher by eight per cent, the group's specific charge for bad and doubtful debts (other than the exceptional charge) was £21.6m. This was down sharply from £28.7m in the second half of last year and reflects the marked improvement in the health of the business sector.

Sir Thomas Risk, chairman of Bank of Scotland

Mr Patullo said he expected the buoyancy of the bank's business to continue into the second half with - possibly - a further fall in provisions. But he doubted that the group's interest margins would remain as wide as they had in the first half.

He declined to comment on reports that Bank of Scotland had considered buying First City Bancorp, the Texas bank recently rescued by the US banking authorities.

However, he confirmed that his bank had long been interested in buying a US bank and had looked at two or three quite closely.

"So far we have not found anything we feel confident about."

See Lex

Boase Massimi rises 43% to £2.4m

ORGANIC GROWTH, a first contribution from Granby Marketing and higher interest income contributed to a 43 per cent rise in interim pre-tax profit for *Boase Massimi Pollitt*, advertising and marketing services company.

The directors said that the outlook for the rest of the year gave them confidence in achieving further growth on the basis of the quality and potential of its component companies.

They added that the weighting of the company's business towards the second half would be accentuated this time by the addition of Ammirati & Puris Inc. The New York-based advertising agency was acquired in June for an initial $31.8m. Directors said that the company continued to trade well with substantial client gains since the acquisition.

On turnover for the first half of 1987 up by 35 per cent to £58.33m (£43.13m) pre-tax profit was £2.41m (£1.68m) including net interest received of £180,000 (£21,000).

After tax of £874,000 (£672,000) and minorities of £27,000 (£17,000) earnings per 12.5p share came out at 8.3p against 7.08p last time. The interim dividend has been raised from 1.75p to 2.25p.

The acquisition earlier this month of Specialist Publications, promotional publishing company, continued the company's policy of extending its range of activities, directors said. They added that they intended to make further purchases in both marketing services and advertising.

• comment

BMP's great on-rush of new clients last year, including Fosters Lager and Comet, was wonderful news but has rather knocked margins. The company had to add staff to handle the extra business but it will still be a while yet before it sees a return. As a result, yesterday's figures were slightly disappointing, however, any worry is seen as short term. The second half, traditionally better with the Christmas spend, will, in addition, see a full contribution from the US Ammirati & Puris, which has made substantial client gains since BMP bought it in May. BMP has a fair spread of activities, its marketing services side now bringing in 40 per cent of income. It is well respected by its peers and has a strong client list including Courage, Dulex and Sony. The share price dropped 6p to close at 438p yesterday. On a full year pre-tax profits forecast of £8.5m, that puts the company on a fairly attractive prospective p/e of about 17, in line with the sector.

Further US expansion for Bowthorpe

Bowthorpe Holdings, the electronic components manufacturer, *is expanding further in the* US with two acquisitions for $16.4m (£10m).

The group is paying $11.2m for 93.3 per cent of Atlantic Scientific, a Florida-based company *which manufactures high quality* surge suppression devices. The remaining 6.7 per cent of the equity will be retained by Dr Rodney B. Bent, Atlantic's president, although Bowthorpe has an option to buy the stake.

In the year ended June 26, 1987 Atlantic reported pre-tax profits of $1.9m.

RANDSWORTH Trust: The open offer to shareholders has closed. Acceptances were received for 38.42m (77 per cent) of the new 7 per cent cumulative convertible redeemable preference shares and for 7.92m (80 per cent) of the new ordinary.

BBA makes £25m US aerospace purchase

By David Waller

BBA, motor components and industrial materials group, is to make its fourth acquisition this year with the $41.1m (£25.1m) purchase of the US-based Ozone Industries.

The cash consideration is to be raised by a placing of 12.3m new shares at a small discount to yesterday's price. There will be no clawback facility as the 6.4 per cent expansion of the company's share capital *falls* below the 10 per cent pre-emption rights threshhold.

Ozone, a subsidiary of Joy Technologies, US industrial conglomerate, makes actuators, nosewheel *steering* systems, landing systems and couplings for the aerospace industry - products similar to those of AP Precision Hydraulics, a BBA subsidiary.

Mr Ray *Mitchell*, a BBA director, said yesterday that the company expected to benefit from the close co-operation of Ozone and APPH. Major new business opportunities in Europe and the US are expected.

In the year to the end of last September, Ozone made pre-tax profits of $5.7m (£3.5m), on turnover of less than £20m. Net tangible assets amounted to $22.4m on July 24 this year.

Mr Mitchell said that it had been a consistently high margin business, but that profits had been flat during the previous two years because of a lack of investment. It was set to benefit from an injection of BBA's technological and financial resources.

Some 80 per cent of Ozone's sales have *military* applications, and about one half of products find their way into helicopters. A large proportion of its business consists of the supply of spares, rather than of capital goods.

The acquisition of Ozone follows BBA's agreed £10.8m bid in June for Holden Hydroman.

Argyle Trust shares rise 22p

Shares of Argyle Trust, financial services company, yesterday rose 22p *to close at 178p following* the announcement that it was at an advanced stage of discussions with another company about a possible transaction in Argyle's share capital that could lead to an enhancement of capital resources. A further announcement is to be made by the end of October.

Argyle shares began rising from 88p in January when the company said, while reporting 1986 results, that it had received third-party approaches. The company confirmed that discussions were underway in March, after which the share price shot up to a high of 188p.

Core activities behind 54% advance at Barratt

Barratt Developments checked into the City yesterday with 1986-87 pre-tax profits at the top end of analysts' expectations at £39.2m, an improvement of 54 *per cent over the previous* year's £25.4m.

A final dividend of 6.39p raises the total from 8.12p to 8.93p net per 10p share.

Sir Lawrie Barratt, the chair*man, said that the majority of* the company's improvement came from core UK housebuilding activities. Pre-tax profits from housebuilding jumped from £25m to £39m, on sales of *£370m against £340m.*

He said that while regional disparities continued to exist in this market, demand for Barratt's premier collection product had been strong, even in *economically disadvantaged* regions.

Although London and the south east remained the strongest market, a slight strengthening of demand was experienced in the *Midlands* and part of the north. In Scotland, however, the whole market deteriorated further.

The chairman reported that in the first 11 weeks of the cur*rent year both sales and profits* were ahead.

Completions during 1986/87 fell from 8,100 to 7,150. Sir Lawrie said that as the realignment of the company's market*ing strategy towards existing* home owners took further effect its average selling price increased from £37,000 to £46,000.

Further progress was made in the US where profits at the pre-*tax level doubled to £4m.*

Group turnover for the past year, to end-June, was marginally lower at £432.5m (£444.3m) but at the operating level profits pushed ahead from £33.1m to £48.8m.

Interest charges increased by £1.9m to £9.6m and tax accounted for £4.3m more at £12.1m.

Attributable profits worked through at £27.1m compared *with £17.6m, equal to 15.2p (9.9p)* per share.

Sir Lawrie said that good progress was made in the letting of investment property. No developments were currently under way and none were anticipated this year other than trading situations.

A significant contribution to the US profits came from a joint venture with a major Californian financial institution. For accounting purposes the revenue from this development was not included in turnover and this more than accounted for the decline in the reported figure.

Barratt's leisure property susidiary had a successful year with strong demand for timeshare property in high quality resorts. Two further leisure resorts were acquired during the year bringing the total to nine.

Sir Lawrie said that the group had invested some £120m in land purchases over the past 12 months.

See Lex

Polypipe more than doubled

Polypipe, the maker of plastic fittings which moved up from the USM to a full listing a year ago, yesterday reported more than doubled profits in 1986-87.

With sales 65 per cent higher at £26.9m (£16.33m) pre-tax profits leapt from £2.2m to £4.68m in the year to June 30, 1987.

The company said the more buoyant conditions in the mar*ket it serves were continuing* and Polypipe was constantly seeking opportunities to expand by acquisition and product development.

These factors, coupled with the enlarged group capacity and efforts being made to increase market share further, particularly in the newer product areas, enabled the board to look forward to a successful year ahead.

Tax charge for the year 1986-87 was £1.71m (£870,000) and earnings per 10p share rose sharply from 5.5p to 10.82p. A final dividend of 2.08p makes a total of 3.1p (adjusted 1.65p).A *one-for-one scrip issue is also* proposed.

• comment

It is hard to find fault with these figures; doubled pre-tax profits and earnings per share are undeniably impressive and that is before the full benefits of the Paragon acquisition have been realised. Around £350,000 of the increase came from Procell; rather more from increased penetration of the South East and of the underground drainage market. With the housing renovation market still bouyant, there is plenty of scope for further growth in fu*ture years. What is not quite so* certain is whether there is as much upside in the share price; the shares, 425p yesterday, have risen a long way from 166p earlier this year and assuming *£6.7m this* year are on a prospective p/e of just under 28.

New England in £20m deal

BY PAUL CHEESERIGHT, PROPERTY CORRESPONDENT

New England Properties, which came under new control last March, yesterday moved to widen its capital base with the purchase for £20.05m of a property portfolio from Frogmore Estates.

It also announced a pre-tax loss of £144,000 for the six months to June, compared with a profit of £101,000 in the corresponding period of 1986.

The property purchase is be*ing financed by a five-year bank* facility of £11.5m, a rights issue to raise £5.1m, and an issue to Frogmore of 5.47m shares, or 5.5 per cent of the enlarged equity.

The bank facility and rights issue provide the great part of the £16.75m cash which NEP has agreed to pay Frogmore.

NEP is offering shareholders one new share for every seven they already hold at a price of 45p a share, a substantial discount to the market level of the shares - 63p just before the announcement. Loan stock holders are offered four new oprdinaries for every £7 nominal of stock they hold, also at 45p a share.

Hunting Group, which holds 16.7 per cent of the NEP equity, has undertaken to take up its entitlement, or arrange for it to be taken up. The rest of the issue has been underwritten.

NEP's first half loss was caused by the closure of its Newcastle office and the costs of installing a new management. Last year NEP's former management was forced to dispose of development properties to its chief shareholders as a means of reducing its borrowings.

But the new management is pushing NEP down new paths and is seeking to acquire properties for syndication, including theirflotation on the Stock Exchange as single-asset property vehicles.

The company said yesterday that it anticipated a continuing relationship with Frogmore in this activity.

This week it announced the formation of a joint venture company with London and Metropolitan Estates to bid for County Hall, the former head*quarters of the Greater London* Council.

YEARLINGS

Yearling bonds totalling £1.5m at 10 7/16 per cent, redeemable on September 28 1988, have been issued by the following local authorities - East Lindsey District Council £0.5m: Swansea Council £1m.

Smith & Nephew in £20m double US acquisition

BY STEVEN BUTLER

Smith & Nephew, the medical and healthcare company, is acquiring two US medical equipment companies, Donjoy and *Sigma, for $32m(£19.6m).*

Donjoy, which is costing $23m, manufactures and distributes orthopaedic knee braces used for sports medicine, in which Smith & Nephew is increasingly involved. Of the entire consideration, $20m was paid on completion, and an additional $2m is to be paid when audited accounts show operating profits of $2.4m for the year to the end of August 1987. A further $1m would be due in 1990.

Sigma manufactures and distributes peristaltic infusion pumps for patient care and is being bought for $9m. Smith & Nephew manufactures similar devices using different technology for industry.

The final $1m of the total consideration would be payable depending on the extent to which Sigma exceeds its operating profit of $1.4m in the year to the end of June 1987 in subsequent years.

T&N's £22m disposal

BY STEVEN BUTLER

T&N, the engineering and building materials company formerly called Turner and Newall, is raising £22m through the sale of T-Glass Fibres, the Hindley Green-based glass fibre business, to PPG Industries, the large US glass, coatings and chemicals company.

T&N said the business was no *longer central to the company's* strategy. The construction materials and mining divisions of T&N have been shrinking absolutely and relative to automotive components, and engineering and industrial divisions since the early part of the decade.

T-Glass Fibres would be expanded and developed by PPG in an effort to establish a major glass fibre production unit in Europe.

T-Glass had a 1986 operating profit of £2.2m in 1986. PPG reported *total* sales of $1.33bn in *the first half of the year.*

Betec advances

Betec's pre-tax profits for the half year to June 30 show an advance from £560,000 to £660,000, but they are for historic interest only. The results do not include any contribution from Clayhithe, an investment and man*agement services* company with which Betec merged in July.

A dividend of 0.75p (0.65p) is declared on the capital enlarged by the merger; earnings, after a £200,000 (£169,000) tax *charge, worked through* at 3.56p (3p) per 25p share.

Cakebread Robey

Cakebread Robey, Enfield-based builders' and timber merchant, yesterday reported an 18 per cent fall in interim profits.

Although turnover rose 5 per cent to £11.75m, pre-tax profits fell from £362,301 to £297,083 in the first half of 1987.

Tax charge was £104,000 (£131,000) and earnings per 10p share came out 0.7p lower at 3.2p. There was an extraordinary debit this time of £50,000.

The interim dividend is unchanged at 0.8p.

Hampden Homecare

Hampden Homecare, Northern Ireland-based home improvement retailer, reported interim pre-tax profits up by 20 per cent, from £363,000 to £436,000. The result for the 24 weeks to June 20, 1987 was achieved on turnover up from £6.69m to £8.06m.

Earnings per 10p share came out at 2.84p (2.27p) and the company, which is quoted on the USM, is paying an unchanged interim of 0.5p.

Kwahu improves

The Kwahu Company, finance concern, reported pre-tax profits for the year ended June 30 1987 of £416,200, against £391,600. Net asset value at the end of the period was 46.2p against 35.3p midway and 27p a year earlier.

Earnings per 10p share were 3.86p (3.39p) and the dividend has been raised from 1.4p to 1.6p.

Cresta's three purchases

BY MARTIN DICKSON

Cresta yesterday announced three acquisitions for between £4.25m and £5.7m which would help give it a substantial base for expansion on the UK mainland.

It accompanied the news with a forecast that its pre-tax profits this year (excluding the acquisitions) would be not less than £805,000, compared to £269,000 in 1986 on a pro forma basis.

The acquisitions –accompanied by a £6.05m placing of shares – are the first it has made *since it gained a listing* on the main London market early in the summer, having previously traded under rule 535.

Cresta is adding two companies to its corporate communications division . One is Edman Communications, a London-based corporate communications group with interests ranging from advertising to design and exhibition work, which it is buying for £2.13m. In the year to April Edman made pre-tax profits of £251,000. The other is Browcom Group, a printing, photographic services and *promotional merchandising* group, which it is buying for £1.75m, with further payments of up to £1.05m dependent on profits performance.

It is also adding to its finan*cial services operation the Con*tact Group, which administers pension funds and has an insurance brokerage, for £371,000, though a total of up to £400,000 may become payable ,dependent on profits. Contact made £71,000 pre-tax in the year to March.

To meet the initial £4.25m payment, Cresta will be issuing 1.09m shares, and paying the balance in cash. It will also be raising £6.05m via a placing of 3.08m shares at 210p, which are subject to a clawback by shareholders. However, Mr Brian O'Connor, chairman, said the directors did not intend to take up their entitlement so that the company's shares could be spread more widely among UK institutions.

Horace Cory up

Horace Cory, chemical colour manufacturer, reported interim pre-tax profits up 13 per cent from £140,947 to £159,435. Turnover for the first half of 1987 rose 37 per cent to £3.11m.

After tax of £49,000 (£51,000) earnings per 5p share climbed from 0.48p to 0.6p. The interim dividend is higher at 0.35p (0.3p) - last year's final was 0.35p.

HEYWOOD Williams: Electra Investment Trust has reduced its stake to 1.55m shares (3.97 per cent). M & G High Income Fund has an interest in 7.5m cumulative convertible redeemable preference shares (8.07 per cent). Scottish Amicable Investment Managers has reduced its holding to 1.79m shares(4.56 per cent).

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corres-ponding div	Total for year	Total last year
Attwoods	fin	4.5†	Jan 20	3.75	6	5
Bank of Scotland	int	6.6	Nov 5	6	-	16.5
Bank of Wales	int	1	Nov 5	nil	-	2.8ψ
Barratt Devs	fin	6.39	-	5.81	8.93	8.12
Beauford Group	int	1.2	-	1	-	3.5
Betec	int	0.75†	-	0.65	-	2.2
Boase Massimi	int	2.35	-	1.75	-	5.75
Cakebread Robey	int	0.8	-	0.8	-	3.8
Casket (S.)	fin	1.6	Dec 1	1.4	2.6	2.2
Cory (Horace)	int	0.35	-	0.3	-	0.65
Epicure	int	0.25	Oct 30	-	-	0.3
Finlay Packaging	int	0.75	Nov 2	0.75	-	3.5
G C Flooring	fin	1.63	Oct 30	-	1.63	-
Hampden Home‡	int	0.5	Nov 26	0.5	-	1.6
Harvey & Thomp.‡	fin	6	-	4.25	8.5	6
Juliana's Hldgs	int	0.85‡	Jan 6	0.75‡	-	2.5‡
Kwahu	fin	1.6	-	1.4	1.6	1.4
Peters(Michael)‡	int	1.8	-	1.6	3	2.6
Polypipe	fin	2.08	-	1.1	3.1	1.65*
Stag Furniture	int	1.75	Nov 23	1.75	-	5.5
Tharsis	int	2	-	2	-	12.5
Tibbett & B'tten	int	1.5	Oct 30	nil	-	2.3
Tilbury	int	2.2†	-	1.8	-	6.8

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡USM stock. §Unquoted stock. ∅Third market. ‡ Gross. ψ 14 months.

US boost lifts Attwoods to £12m

Attwoods, the waste disposal and quarrying group, increased pre-tax profits by 60 per cent to £11.86m for the year ended July 31 1987. This compares with an increase of 43 per cent to £7.41m in 1985/86.

Turnover rose by 30 per cent from £56.42m to £73.3m. The final dividend is increased to 4.5p (3.75) making 6p (5p) for the year.

Seven months' earnings of Peterson, the Florida waste handling group which Attwoods purchased last December for £8.25m, were included in the accounts and contributed to the increase in earnings per share to 18.04p (14.8p). US interests contributed £9.07m (£4.83m) to profits and the UK £2.79m (£2.59m). Group tax accounted for £3.12m (£1.47m).

Mr Ken Foreman, chairman, said that during the year Attwoods had consolidated its position as the fourth largest publicly quoted waste management business in the US as well as strengthening its position in the UK.

The purchase in June of MedX, supplier of services to 600 hospitals and medical centres in Florida, would further increase the group's presence in the state. In July the group marked its entry into the toxic waste industry with the purchase of 40 per cent of US-based Vesta Technology.

As part of its expansion policy in the US and to aid further acquisitions, the group had signed an agreement with Southeast Bank of Florida granting a $25m standby credit.

Mr Foreman said the board was expecting another year of significant progress.

• Comment

While not dismissing its UK interests, the US is clearly where the future lies for Attwoods. As chairman Ken Foreman put it yesterday: "We will go where the money is." There is a $20bn a year solid waste disposal market out there and Attwoods aims to get a bigger share of it. The US operations are in Florida, the second fastest growing state with a population growth of 600 a day, that's a lot of new waste. The aim is to expand first into neighbouring sunshine states, then beyond. Two summer acquisitions signal the expansion into hazardous waste (Vesta) and infectious waste (MedX), both strong growth areas. Attwoods has built up a reputation for reliability, its operation is recession proof, it has limitless scope for expansion. The shares closed 1p down at 375p. Assuming pre-tax profits for next year of £16m, that puts them on a still cheap prospective p/e of about 17.

Tibbett & Britten rises 52%

FOLLOWING a surge from £1.94m to £3.38m for the whole of 1986, pre-tax profits of Tibbett & Britten Group, which distributes clothing to retailers, expanded by 52 per cent from £1.27m to £1.93m for the six months ended July 4 1987.

Turnover - about half comes from trade with Marks and Spencer - rose from £15.8m to £23.4m, a rise of 48 per cent. The directors said that revenue increased in all sectors apart from the international division.

Nearly 80 per cent of the growth (£6m) was generated by the new dedicated and contract warehousing operations for M & S, Elida Gibbs and IBM (UK).

The directors pointed out that this has taken the group into the distribution of a wide range of products including food and toiletries. At the same time, the group's traditional hanging garment and clothing business grew steadily with significant new retailer traffics.

After six months tax of £676,000 (£460,000) earnings available came through 55 per cent ahead at £1.26m (£808,000) or 4.8p (3.8p) per share. The interim dividend is restored with 1.5p - last year there was a single final payment of 2.3p.

The directors added that they actively continued to seek opportunities to develop or acquire new distribution operations.

After dividend appropriations the retained balance was £862,000, against £762,000.

TR Energy unveils ERIC bid terms

By Nikki Tait

TR Energy, the Touche Remnant-managed oil and gas investment company, yesterday unveiled its agreed bid terms for Energy Recovery Investment Company - the Luxembourg-registered company, whose shares trade under Rule 535(3).

TR Energy is offering to pay 495p per ERIC share, capitalising the company at some £14m. Yesterday shares in ERIC jumped by one-third - from 300p to 400p.

Touche Remnant indicated that it would be making an agreed offer for ERIC on Monday, and its terms have the backing of Govett Strategic Investment Trust which holds 47.3 per cent of ERIC's shares. Govett itself made a bid for ERIC at a much-lower 178.5p a share back in January, following market purchases which took its stake over the 30 per cent level.

TRE itself holds one-quarter of ERIC's equity and the company is currently run by Energy Management and Finance, a joint venture between Touche Remnant and Kleinwort Benson - as is TRE.

The deal virtually doubles the size of TRE, which is currently capitalised at about £16m. To fund purchases of the outstanding 75 per cent of ERIC - at cost of £10.6m - TRE is raising £11.6m via a four for five rights issue at 27p. Yesterday, its own shares added ½p to 40½p.

According to Touche Remnant, there should be overhead savings from having the two portfolios under one roof, and yesterday it said that several other transactions were being pursued. The ERIC portfolio, it argues, will strengthen the asset base, diversify its portfolio away from the States and give it a long-term revenue stream from ERIC's royalty interests.

ERIC, which has interests in the North Sea, Indonesia and North America, incurred a $1.45m loss before tax in 1986, but pulled back to a $136,000 deficit in the first six months of 1987. According to this month's interim statement, bank borrowings have been reduced by one-fifth to $1.2m over the six-month period. TRE, meanwhile, produced a £400,000 deficit after tax in the end to end-June 1986, and a similar loss in the six months to end-December.

Marcol placing with £16m value

Marcol Group, software house specialising in aerospace and avionics, is joining the Unlisted Securities Market in a placing which values the group at £16m.

About two-thirds of the company's turnover comes from five clients. In the year ended June 30 1987, it made pre-tax profits of £1.94m on turnover of £8.17m. At the placing price of 115p, the p/e is 23.5.

Kleinwort Grieveson is placing 3.71m shares, 26.6 per cent of the equity, of which the vast bulk are being sold by existing shareholders. Dr John Rigg, the managing director, will gross £1.65m from the flotation.

Michael Peters profits jump 72% and pass the £1m mark

BY DINA MEDLAND

Michael Peters, a USM-quoted marketing services and design consultancy, yesterday announced a 72 per cent jump in pre-tax profits from £675,000 to £1.16m for the year ending June 30.

Mr Michael Peters, chairman, said that profitability had been restricted by seasonality in the first half of the year, but that it had been a year of continued development and one that had realised the overall growth anticipated by the company.

Turnover rose by 34 per cent to £11.98m - £5.08m in the first half was bettered by £6.9m in the second - while the tax charge was £427,000(£266,000). Earnings per share were up 54 per cent at 10.07p(6.52p). The proposed final dividend is to be increased to 1.8p(1.6p), making a total of 3p(2.6p) for the year.

Product development services saw a reorganisation, and a new initiative in the area of corporate identity was launched under the PA Design name. Such organisational changes, made to maximise return on resources, had made considerable progress but further improvement was expected, Mr Peters said.

Cockade, the exhibition design and construction company, showed "some progress, but not as much as we would have liked", he said. There were no major organisational changes planned.

After major investments in restructuring the company in the past few years, Michael Peters now had a deliberate plan to grow internationally, Mr Ian Farnfield, the recently appointed chief executive, said.

The company saw the North American market, in particular, as holding the key to future growth, and plans to expand through a mixture of strategic acquisitions and organic developments.

As part of a process designed to build up a strong group management team resident in the US, Michael Peters appointed Mr James Benson, former vice-chairman of the Ogilvy Group in New York, as president of North American activities.

The company said it planned to make one or more acquisitions in North America within the next year, and these were likely to be of groups involved in retail design.

Within the UK, it was aiming either to strengthen its market share - currently 5 per cent of a design market worth some £250m - or provide a selective increase in the range of services provided.

Michael Peters was keen to stress, however, that it was not interested in offering a broad-spanning range of services - incorporating advertising, for example - which Mr Farnfield said could lead to a "potential dilution of quality in the long-term".

Tilbury leaps to £3m midway

Tilbury Group, construction and property, hoisted pre-tax profits by 92 per cent from £1.57m to £3m in the first half of 1987, on turnover £22m higher at £84.1m.

Earnings per 25p share increased by 52 per cent to 9.6p (6.3p). While the directors cautioned that it would not be possible to maintain this rate of increase for the full year, they were confident of a very satisfactory result.

They added that this was particularly encouraging in view of the significant enlargement of the group's share capital through last year's one-for-three rights issue.

The interim dividend is increased from 1.8p to 2.2p - last year a total of 6.8p was paid from £5.28m profits.

Both the construction and the property divisions achieved higher profits and the directors said there were very satisfactory contributions from those companies acquired during 1986.

Net interest payable was £179,000 (£213,000 receivable). Tax charge amounted to £1.11m (£599,000) while extraordinary credits decreased from £7.71m to £375,000. These comprised a £375,000 (£365,000) surplus on disposal of freehold properties, while in 1986 there was also a £7.6m net surplus on the sale of subsidiaries and closure and other costs of £260,000.

Stag well ahead at six months

Mr PATRICK RADFORD, chairman of Stag Furniture Holdings, said yesterday that demand for the group's products during the first six months of 1987 had been buoyant.

He reported that orders on hand were approximately double the 1986 level at the end of the period and that the improved demand had continued into the second half which would enable the higher level of turnover to be maintained.

For the first half group turnover pushed ahead from £15.14m to £16.51m and at the pre-tax level profits rose by £175,000 at £647,000.

Mr Radford said he expected second half profits to be at least as good as those of the first half – second half profits last year amounted to £283,000.

After tax of £135,000 (£47,000) earnings per 25p share emerged 1p higher to 4.8p. The interim dividend is being held at 1.75p net.

Mr Radford added that although the improved results reflected increased demand for quality furniture, the combination of better product design, more efficient production and effective marketing were important contributory factors.

He saw scope for continuing improvement in these areas for the remainder of the year and beyond.

Epicure at £0.69m

Epicure Holdings, construction industry services group, made pre-tax profits of £693,000 on turnover of £17.34m for the first half of 1987.

In 1986 the company reported on a four and eight monthly basis and therefore no direct comparisons are given.

The company said it continued to look for acquisitions complementary to existing activities, both in Sweden and the UK. Recent companies acquired had integrated well and their profits were in line with expectations

Surplus property realisations, mainly in Sweden, had contributed to an extraordinary credit of £680,000. Further profitable property sales were expected in the second half.

First-half earnings per share were 1.47p and the interim dividend 0.25p.

Juliana's continues to show recovery

CONTRACT discotheque operators Juliana's Holdings continued to show recovery, albeit small, in the half year to June 30 with pre-tax profits up from £425,000 to £449,000. However, with the turnround in the fortunes of the associated company (Hong Kong) of £250,000, the improvement for the group is almost doubled at £503,000 compared with £229,000.

Mr John Church, chairman, said that all divisions of the group are continuing to trade profitably and the directors are now looking for opportunities to develop activities complementary to the core business.

The necessary organisational changes in the transfer of operations from Hong Kong to the UK have been successfully carried out and the board is confident that the centralisation of management will facilitate the co-ordination of the interests of the group.

In the present climate the directors feel that it is now right to make a modest move to increase the level of dividends after the disappointments of 1985 and 1986 and propose an interim of 0.85p (0.75p) gross from earnings of 2.29p (0.84p) per 2p ordinary; the total payment for 1986 was 2.5p gross.

Turnover of the group in the period rose from £3.55m to £3.64m; tax took £125,000 (£90,000) and there was an extraordinary credit of £50,000 (£246,000 debit) representing a surplus on the purchase for cancellation of £460,000 nominal value of the company's 7½% convertible unsecured loan stock 2000/02 less re-organisation costs attributable to the centralisation of management functions in the UK.

Beauford profits top £0.5m

Beauford Group, manufacturer of heavy machine tools and plant and spares for steel and other industries, boosted pre-tax profits from £350,613 to £514,197 on turnover up from £4.21m to £6.37m in the first half of 1987.

The directors declared an interim dividend of 1.2p(1p) and after tax of £182,000(£130,000) earnings per share moved up from 3.4p to 5.1p.

Operating profits were £530,782(£380,583); interest took £16,585(£29,970). Attributable profits amounted to £322,197(£220,613).

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY-Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1980=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unem-ployed	Vacs.
1986							
1st qtr.	108.1	102.8	97	119.2	146.0	3,171	166.5
2nd qtr.	109.9	104.2	97	121.2	154.8	3,203	175.6
3rd qtr.	111.0	105.2	96	122.7	153.7	3,282	200.2
4th qtr.	111.1	107.5	94	125.5	164.3	3,141	212.0
1987							
1st qtr.	112.5	107.7	91	125.4	157.0	3,073	210.4
2nd qtr.	112.6	109.7	91	128.2	165.0	2,965	226.1
February	112.7	108.4	93	127.9	154.5	3,066	207.1
March	112.1	108.7	91	125.5	157.8	3,049	210.6
April	112.9	109.2	90	130.0	163.0	3,015	213.9
May	112.8	109.9	90	125.4	161.2	2,952	231.2
June	112.2	109.8	91	129.4	167.3	2,926	233.2
July	114.6	111.0		131.2	173.7	2,876	224.9
Aug.				131.8		2,833	237.5

OUTPUT-By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Cnsmer goods	Invest goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg starts*
1986							
1st qtr.	103.9	101.4	114.9	101.5	108.6	103.1	14.6
2nd qtr.	105.2	101.7	115.8	103.0	110.2	104.3	19.5
3rd qtr.	106.4	101.7	117.4	103.6	109.2	103.3	19.4
4th qtr.	105.4	102.4	116.1	105.6	116.0	104.7	18.5
1987							
1st qtr.	107.8	102.9	118.1	106.2	114.7	102.4	17.4
2nd qtr	110.2	105.2	117.9	107.7	120.5	104.2	19.4
January	106.9	102.2	116.5	105.0	107.0	103.0	12.7
February	108.5	103.8	118.5	106.9	121.0	102.0	18.6
March	108.0	105.7	119.0	108.9	116.0	102.0	20.8
April	110.0	105.1	117.9	107.0	117.0	105.0	18.1
May	110.6	105.0	119.2	108.0	121.0	104.0	20.2
June	109.9	105.2	116.4	108.0	125.0	104.0	19.9
July	111.2	107.5	119.4	110.0	121.0	106.0	19.4

EXTERNAL TRADE-Indices of export and import volume (1980=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1980=100); official reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Reserve US$bn
1986							
1st qtr.	117.5	124.9	-1,227	+682	+1,899	101.8	18.75
2nd qtr.	121.9	129.1	-1,608	+135	+765	102.5	19.29
3rd qtr.	122.6	139.0	-2,891	-918	+621	102.2	22.42
4th qtr.	128.5	144.0	-2,725	-828	+785	100.8	21.92
1987							
1st qtr.	130.0	133.2	-1,125	+471	+1,164	100.5	27.04
2nd qtr	126.3	140.7	-2,361	-561	+1,033	102.7	34.38
January	124.6	131.4	-317	+18	+383	100.2	21.95
February	138.4	138.0	-392	+333	+328	100.4	22.28
March	126.9	130.2	-417	+119	+454	100.8	27.04
April	121.4	138.5	-526	+74	+423	102.8	29.51
May	123.9	144.2	-1,096	-496	+365	98.8	34.63
June	123.5	139.1	-740	-140	+245	104.4	34.38
July	131.3	147.6	-919	-310	+284	103.1	24.91
Aug.							34.40

FINANCIAL-Money supply M0, M1 and M3 (three month's growth at annual rate); bank sterling lending to private sector; building societies' net inflow; consumer credit†; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank lending £m	BS inflow £m	Cnsmer. credit† £m	Base rate %
1986							
1st qtr.	4.1	21.4	19.2	+8,282	2,229	+855	11.50
2nd qtr.	3.1	25.9	27.3	+8,455	1,432	+346	10.00
3rd qtr.	5.9	30.2	15.4	+6,995	198	+782	10.00
4th qtr.	7.6	15.3	14.1	+10,516	2,814	+644	11.00
1987							
1st qtr.	1.2	20.6	20.2	+6,665	1,465	+952	10.00
2nd qtr	3.3	29.7	29.3	+8,654	1,804	+1,023	9.00
January	7.7	18.1	12.5	+1,701	446	+257	11.00
February	0.1	10.9	17.8	+2,881	472	+296	11.00
March	-3.8	33.3	29.4	+2,082	547	+399	10.00
April	0.1	28.9	33.6	+1,969	727	+410	9.50
May	5.5	37.6	32.8	+2,734	521	+294	9.00
June	4.5	30.8	21.9	+3,931	556	+329	9.00
July	7.7	34.6	23.6	+4,882	347	+228	9.00
Aug.							10.00

INFLATION-Indices of earnings (Jan 1980=100); basic materials and fuels; wholesale prices of manufactured products (1980=100); retail prices and food prices (Jan 1987=100); Reuters commodity index (Sept 1931 =100); trade weighted value of sterling (1975=100)

	Earn-ings*	Basic matls.*	Whsale. mnfg*	RPI*	Foods	Reuters* cmdty.	Sterling
1986							
1st qtr.	179.1	132.4	142.2	96.5	96.9	1,825	75.1
2nd qtr.	184.0	125.8	145.7	97.8	98.7	1,714	76.1
3rd qtr.	187.4	128.8	146.2	97.9	98.3	1,464	71.9
4th qtr.	191.0	127.4	147.4	99.1	99.3	1,608	68.2
1987							
1st qtr.	192.0	129.8	149.3	100.2	100.5	1,580	69.9
2nd qtr	198.0	128.7	150.8	101.9	101.8	1,598	72.8
January	190.4	131.7	148.9	100.0	100.0	1,682	68.8
February	191.2	129.6	149.3	100.4	100.7	1,601	69.0
March	194.5	128.2	149.7	100.6	100.7	1,539	71.9
April	195.9	128.4	150.5	101.8	101.8	1,554	72.4
May	198.1	128.6	151.0	101.9	102.2	1,612	73.3
June	200.0	129.7	151.1	101.9	101.6	1,629	72.6
July	203.1	130.5	151.2	101.8	100.4	1,632	72.8
Aug.		131.5	151.6	102.1	100.7	1,655	72.2

*Not seasonally adjusted
†Net changes in amounts outstanding, excluding bank loans.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims- Bertelis, British and Commonwealth, Central Independent Television, Clifford's [illegible]

Finals- Kleinwort Development Fund, Logica, Rowe Textiles.

FUTURE DATES

Interims-	
Freemans	Sept 28
Hawker Siddeley	Oct 21
Jacques Vert	Oct 1
Triefus	Sept 30
Finals-	
[illegible]	Oct 5
[illegible]	Sept 25
[illegible]	Oct 7
[illegible]	Sept 30
[illegible]	Sept 29
[illegible]	Sept 30

Legal Notices

RED GARAGE (LLANDUDNO) LIMITED IN RECEIVERSHIP

NOTICE IS HEREBY GIVEN, pursuant to section 48 of the Insolvency Act 1986, that a MEETING of the CREDITORS of the above-named company will be held at the St George's Hotel, St George's Place, Llandudno on 1 October 1987 at 1.30 pm for the purposes of having laid before it the report prepared by the joint administrative receivers in accordance with the said section and, if thought fit, appointing a committee.

Creditors whose claims are wholly secured are not entitled to attend or vote at the meeting. Creditors who are partly secured may only vote in respect of the balance of the amount due to them after deducting the value of the security, as estimated by them. A creditor in respect of a debt due on, or secured by, a bill of exchange or promissory note must treat the liability of any person who is liable on the bill antecedently to the company as security held by him (unless that other person is subject to a bankruptcy order or in liquidation).

Creditors wishing to vote at the above meeting must lodge a written statement of their claims with us at Cork Gully, 43 Temple Row, Birmingham, B2 5JT no later than 12 noon on 30 September 1987. Proxies intended to be used at the meeting must also be lodged with us by that time.

Creditors of the company may obtain, free of charge, copies of the report we have prepared under section 48 of the Insolvency Act 1986 by applying to us in writing at the above address.

DATED the Sixteenth day of September 1987.

JOHN F. POWELL
Joint Administrative Receiver

RED GARAGES (NORTH WALES) LIMITED IN RECEIVERSHIP CAERNARFON MOTORS LIMITED IN RECEIVERSHIP

NOTICE IS HEREBY GIVEN, pursuant to section 48 of the Insolvency Act 1986, that MEETINGS of the CREDITORS of the above named companies will be held jointly at the St George's Hotel, St George's Place, Llandudno on 1 October 1987 at 10.00 am for the purposes of having laid before them the reports prepared by the joint administrative receivers in accordance with the said section and, if thought fit, appointing a committee.

Creditors whose claims are wholly secured are not entitled to attend or vote at the meeting. Creditors who are partly secured may only vote in respect of the balance of the amount due to them after deducting the value of the security, as estimated by them. A creditor in respect of a debt due on, or secured by, a bill of exchange or promissory note must treat the liability of any person who is liable on the bill antecedently to the company as security held by him (unless that other person is subject to a bankruptcy order or in liquidation).

Creditors wishing to vote at the above meetings must lodge a written statement of their claims with us at Cork Gully, 43 Temple Row, Birmingham, B2 5JT no later than 12 noon on 30 September 1987. Proxies intended to be used at the meeting must also be lodged with us by that time.

Creditors of the company may obtain, free of charge, copies of the report we have prepared under section 48 of the Insolvency Act 1986 by applying to us in writing at the above address.

DATED this Sixteenth day of September 1987.

John F. Powell
Joint Administrative Receiver

DEXAMIS LIMITED

Michael A. Jordan & John F. Powell of Cork Gully, 43 Temple Row, Birmingham B2 5JT were appointed Joint Administrative Receivers of Dexamis Limited.
(Registered No. 3271285)
by Manufacturers Hanover Trust Company on 15 September 1987

ROYAL RED COACHES LIMITED IN RECEIVERSHIP

NOTICE IS HEREBY GIVEN, pursuant to section 48 of the Insolvency Act 1986, that a MEETING of the CREDITORS of the above named company will be held at the St George's Hotel, St George's Place, Llandudno on October 1 1987 at 3.45 pm for the purposes of having laid before it the report prepared by the joint administrative receivers in accordance with the said section and, if thought fit, appointing a committee.

Creditors whose claims are wholly secured are not entitled to attend or vote at the meeting. Creditors who are partly secured may only vote in respect of the balance of the amount due to them after deducting the value of the security, as estimated by them. A creditor in respect of a debt on, or secured by, a bill of exchange or promissory note must treat the liability of any person who is liable on the bill antecedently to the company as security held by him (unless that other person is subject to a bankruptcy order or in liquidation).

Creditors wishing to vote at the above meeting must lodge a written statement of their claims with us at Cork Gully, 43 Temple Row, Birmingham, B2 5JT no later than 12 noon on September 30 1987. Proxies intended to be used at the meeting must also be lodged with us by that time.

Creditors of the company may obtain, free of charge, copies of the report we have prepared under section 48 of the Insolvency Act 1986 by applying to us in writing at the above address.

DATED this Sixteenth day of September 1987

JOHN F. POWELL
Joint Administrative Receiver

Public Notices

BHP

HALF YEARLY DIVIDEND

The Directors are pleased to announce that a half yearly dividend will be paid on 25 November 1987 at the rate of 15 cents per $1.00 ordinary fully paid share. The dividend of 15 cents per share as declared, on share capital increased by the May 1987 1-for-4 bonus issue, represents an increase of 3% on the adjusted November 1986 dividend rate (November 1986 – 17.5 cents per share declared; equivalent to 14.6 cents per share after adjusting for the May 1987 bonus issue). The dividend will be fully franked.

The dividend will be paid to registered holders following the registration of transfers received up to 5.00pm on Friday 30 October 1987, the books closing date. For shareholders who no later than 30 October 1987 have elected that some or all of the shares held by them shall participate in the Company's Dividend Investment Plan, the dividend shall be satisfied in respect of those shares by the allotment of paid up shares in accordance with the Plan. For shareholders with US addresses the date for election was 17 September 1987.

American Depositary Receipts (ADRs) each represent four ordinary $1 shares, and receive dividends accordingly. The record date for ADRs is Thursday 29 October 1987. Holders of ADRs are not at present eligible for participation in the Dividend Investment Plan.

Transfers will be accepted for registration at the Company's share registers and the US Depositary at the following addresses:

AUSTRALIA –
140 William Street, Melbourne
20 O'Connell Street, Sydney
41-47 Currie Street, Adelaide
152 Wharf Street, Brisbane
221 St. Georges Terrace, Perth
Arthur Young
64 Marcus Clarke Street, Canberra
Perpetual Trustees and National Executors of Tasmania Limited
29 Murray Street, Hobart

UNITED KINGDOM –
[illegible]

THE BROKEN HILL PROPRIETARY COMPANY LIMITED

Company Notices

Crédit Foncier de France

ECU-Denominated Floating Rate Notes due 1995 resulting from the exercise of Warrants attached to US$ 200,000,000 Floating Rate Notes due 1995

In accordance with the provisions of the Notes, notice is hereby given that for the interest period from September 24, 1987 to December 29, 1987 the Notes will carry an interest rate of 7⅛% per annum.

The interest payable on the relevant interest payment date, December 29, 1987 will be ECU 19.67 per ECU 1,000 principal amount.

The Agent Bank
KREDIETBANK
S.A. LUXEMBOURGEOISE

GENERAL MOTORS CORPORATION

Further to the DIVIDEND DECLARATION of 21st August, 1987 NOTICE is now given that the following distribution will become payable on and after 15th September, 1987, against presentation to the Depositary (as below) of Claim Forms listing Bearer Depositary Receipts:

GROSS DISTRIBUTION	6.25	CENTS
LESS 15% U.S. WITHHOLDING TAX	0.9375	CENTS
	5.3125	CENTS PER UNIT
CONVERTED at 1.6380 =	3.24328	PENCE PER UNIT

Barclays Bank PLC
Stock Exchange Services Department
54 Lombard Street, London EC3P 3AH

STATE BANK OF SOUTH AUSTRALIA
A$75,000,000
FLOATING RATE NOTES DUE 1994

Holders of the Notes of the above issue are hereby notified that for the next interest sub-period the following will apply:

INTEREST RATE: 10.70 PER CENT PER ANNUM
INTEREST PERIOD: 18 SEPTEMBER 1987– 18 DECEMBER 1987
INTEREST AMOUNT DUE: 18 DECEMBER 1987
PER A$10,000 NOTE: A$ 266.77
PER A$5,000 NOTE: A$ 133.38

BANK OF TOKYO AUSTRALIA LIMITED
AGENT BANK

**U.S.$75,000,000
GRUPO INDUSTRIAL ALFA S.A.
FLOATING RATE NOTES 1988**

For the three month interest period from 24th September, 1987 to 24th December, 1987 the Notes will carry an interest rate of 10% p.a. and the Coupon Amount per U.S.$10,000 will be U.S.$252.78.

CREDIT SUISSE FIRST BOSTON LIMITED
Agent Bank

Art Galleries

JPL FINE ARTS, 26 Davies St, London W1Y 1LH. Tel: 01-493 2630. PIERRE BONNARD — Drawings, Landscapes, Seascapes and coloured [illegible]

YOUR LAST CHANCE [illegible] SCOTT GALLERY [illegible]

Clubs

EVE has outlived the others because of a policy of fair play and value for money. [illegible]

UK COMPANY NEWS

Cowie calls for £45m and makes £16m acquisition

BY CLAY HARRIS

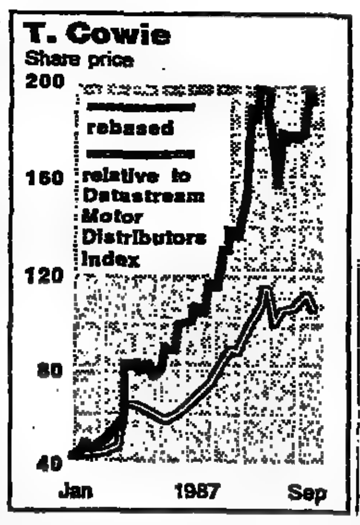
T Cowie, the Sunderland-based motor dealer, yesterday asked shareholders for £45m as it strengthened its position as Britain's largest vehicle contract hire group by paying £16m for the leasing division of Marley, the building materials company.

The acquisition will give fast-growing Cowie 42,500 vehicles in its fleet by the end of the year. The company's recent growth has been concentrated in contract hire and leasing, with its finance division now accounting for 60 per cent of profits.

The three-for-10 rights issue at 159p is Cowie's first cash call since coming to market in 1965. It follows a strong run for Cowie shares which have more than quadrupled in price since the beginning of the year. They fell 7p yesterday to close at 183p.

The proceeds not used for the Marley acquisition will initially reduce borrowing (and Cowie's 500 per cent gearing to 250 per cent) but are intended to get the group ready for future growth.

"There would be no problem for us to run a fleet of 100,000 vehicles," said Mr Tom Cowie, chairman. The group would continue, however, to concentrate on profitability and quality of service rather than the volume of business.



Some competitors were offering vehicles at unrealistically low rates and could face problems with the residual values at the end of the leases, he warned.

Marley Vehicle Leasing, with a fleet of 5,000 cars, achieved pre-tax profits of £1.24m on sales of £14.1m in 1986. The disposal is part of the parent group's move to focus on its core activities.

The buyer said that the apparent exit p/e of 18 would drop at least to 12 once Marley got the benefit of Cowie's lower tax rate - which would be no higher than 20 per cent this year, having run at 13 per cent over the past 10 years - savings in overheads and the increased purchasing and financing muscle of the larger group.

Cowie yesterday forecast 1987 pre-tax profits of at least £14m, against £8.2m last year, excluding any benefit from the rights proceeds and Marley acquisition. Analysts expect this to add at least another £1m to the total.

The group plans a final dividend of 1.8p (against 0.95p adjusting for the four-for-one scrip issue in August). This will make a total of 2.4p(1.3p) for the year.

Mr Cowie, who owns 10.2 per cent of the group's shares, and other directors will not commit any more money to the company, but will sell sufficient rights to take up the balance of their entitlement.

Murdoch's Pearson move attacked

By Peter Riddell, Political Editor

THE GOVERNMENT was yesterday pressed by the Labour Party to block any moves by Mr Rupert Murdoch, the American-Australian newspaper publisher, to gain control of the Financial Times or other media parts of Pearson, information, entertainment and industrial group.

Mr Bryan Gould, Labour's trade and industry spokesman, described as extremely disturbing the announcement on Tuesday that Mr Murdoch had acquired a near 15 per cent stake in Pearson.

In a letter to Lord Young, Trade and Industry Secretary, Mr Gould said the Government should make absolutely clear that it would not allow Mr Murdoch to acquire any further newspaper titles and that "there can be no question of any bid escaping referral to the Monopolies and Mergers Commission."

He added,"Mr Murdoch's history does not suggest that he will be content with a minority shareholding for long. In case he has ideas of taking control of the media parts of the Pearson group you should make clear now that the Government will not sanction any takeover bid."

Commenting yesterday, Mr Gould said,"Mr Murdoch has been given an extremely easy ride by the Government in his acquisition of large chunks of the British media. This time there can be no excuses for Government inaction."

Equiticorp picks up 2% more of Guinness Peat

BY DAVID LASCELLES, BANKING EDITOR

Equiticorp, the New Zealand company which is bidding for fellow financial services group Guinness Peat, strengthened its position yesterday when a Guinness Peat board member decided to sell them his 2 per cent stake.

Mr Joel Leff, the chairman of Forstmann-Leff Associates, said he had decided to sell to Equiticorp "so as to consolidate its position in Guinness Peat." He added that he thought it important "for the control of Guinness Peat to be further clarified as the uncertainty is damaging to the business."

Mr Leff's decision means Equiticorp now have about 42 per cent of the group's shares. Although Guinness Peat is officially fighting the bid, Mr Leff's move underlines the growing inclination of board members to accept it.

He acted after a disclosure by Mr Robert Maxwell, the publisher, that he had built up a stake of nearly 11 per cent in Guinness Peat and intended to mount a bid for the entire company. Equiticorp have refused to sell shares to Mr Maxwell, and say they are prepared to welcome him as a minority shareholder. Mr Leff sold at the 115p being offered by Equiticorp. In the market, Guinness Peat shares closed last night at 119p, down 2p.

Mr Leff joined Guinness Peat's board last year after the company bought his firm, which is a New York-based fund manager. He said he will not join any further discussions about the Equiticorp bid. He retains warrants to subscribe for about 1.5 per cent of Guinness Peat stock.

Equiticorp said yesterday that it was clarifying a statement made in its offer document about Guinness Peat's profits forecast after receiving a request from the Takeover Panel.

See Lex

Maxwell lifts his stake in Storehouse

By Nikki Tait

Mr Robert Maxwell, the publisher, announced yesterday that his stake in Storehouse, the retailing chain headed by Sir Terence Conran, had risen to just under 3 per cent.

Storehouse, which takes in Habitat, Mothercare and BhS, is currently the subject of possible predatory intentions by agresive property group, Mountleigh.

Mr Maxwell - who revealed a 2.3 per cent interest in Storehouse on Tuesday - acquired a further 2.5m shares at 378p, taking the total holding to 2.9 per cent. All the shares have been bought by Bishopsgate Investment Trust, part of Mr Maxwell's private investment vehicle, Pergamon Holdings, and are "for investment purposes only".

Mountleigh announced in mid-August that it was considering making a bid for Storehouse, and earlier this week sought the company's recommendation for a £1.7bn offer - terms which were immediately rejected by Storehouse.

Heywood Williams rights issue

BY DAVID WALLER

Heywood Williams, aluminium and glazing specialist, is holding a one-for-four rights issue to raise £29.3m. The money will be used in part as working capital within the company's exisiting businesses, and to buy a number of as yet unspecified private companies in related areas.

Mr Michael Broadhead, Heywood's finance director, said yesterday that approximately two thirds of the proceeds would be spent on acquisitions. One or two small deals have already been concluded, and several others are at an advanced state of negotiations.

It was simpler, he said, to raise the money all at once, rather than in dribs and drabs as the acquisitions were finalised.

The remainder of the cash will be invested in particular in Thermax, bought earlier this year for £21.2m, Coastal Aluminium Products and in the glass processing division - all areas experiencing "an unprecedented level of demand".

The company is forecasting a full year dividend 22.6 per cent ahead at 9.6p per share.

B & C pays £9.5m for Laird catering division

BY CLAY HARRIS

STEELS AVIATION Services, owned by British & Commonwealth Holdings, has paid £9.5m for the catering division of Laird Group, the diversified engineering company, to become the UK's second largest in-flight catering contractor.

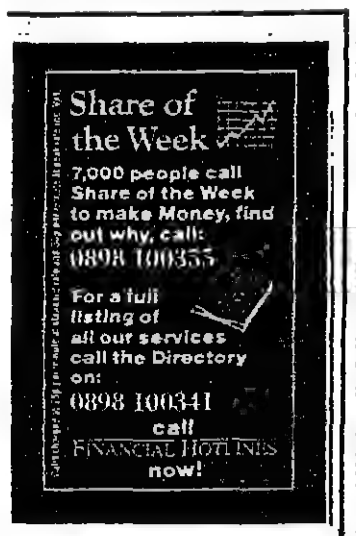
Trusthouse Forte's aviation catering operation is several times the size of the combined group which will have annual sales of about £40m. Steels is somewhat larger than Laird Catering, which achieved pre-tax profits of £1m on sales of £15.7m in the year to January 4.

Neither side would disclose the net assets changing hands, although they are believed to be warranted at slightly more than the £3.7m figure at the end of Laird's last financial year, after which an asset revaluation enabled the division to pay its parent a cash dividend of £5.4m.

The combined company will be based at Gatwick, to date the only airport at which Steels operates. Initially, it will serve 30 airlines.

The Laird division, which will be integrated into Steels and leave its name with the former parent, also operates at seven other UK airports. Both companies have marginal non-aviation catering activities including British Rail contracts.

The sale reflects Laird's move to concentrate on services and sealing systems. Steels is part of Bricom, holding company for B&C's non-financial activities.



Saatchi & Saatchi

Saatchi & Saatchi expects its shares to be listed on the New York Stock Exchange by late November or early December.

The advertising and business services group filed a formal application yesterday after passing a preliminary review of eligibility.

S.Casket

S. Casket(Holdings), Manchester-based clothing distributor and retailer, announced a substantial increase in taxable profits from £1.14m to £1.61m in the 12 months to June 30 1987. Turnover advanced from £28.02m to £30.29m.

The directors proposed a final dividend of 1.6p(1.4p), making a total for the year of 2.6p(2.2p). After increased taxation of £371,000 (£273,000), earnings per 10p share rose from 5.97p to 8.66p.

Glaxo selling animal health subsidiaries

By Dina Medland

Glaxo, the UK pharmaceuticals group, has entered into discussions for the sale of its animal health subsidiaries in a further move to divest itself of its non-core activities and concentrate on its mainstream business.

Negotiations are under way with Pitman-Moore, the wholly owned animal products subsidiary of International Minerals and Chemical of Chicago, which has signed a letter of intent to buy UK-based Glaxo Animal Health, the company's veterinary offshoot, and its associated operating companies in Ireland, Italy and New Zealand.

Glaxo said that it had been seriously committed to animal health for the last 40 years, and that its subsidiaries, all of which are profitable, represented a strong portfolio of products.

But the present annual turnover of these companies is around £16m, and their sale will generate a "modest amount in relation to the parent company's turnover." Glaxo expects a deal to be completed by the end of the year.

Separate interest has been expressed for the acquisition of the animal health companies trading in South Africa and Zimbabwe, and discussions for their sale are expected shortly. The annual turnover of these companies is around £12m.

CHRISTY Hunt: Offer for Deritend Stamping has gone unconditional. At 3pm on September 21, acceptances had been received in respect of 4.49m Deritend shares (85.1 per cent). Cash alternative will close on September 28. The offer has been extended.

NatWest takes over RoyWest

BY RICHARD WATERS

National Westminster Bank has bought the Royal Bank of Canada's 50% share of RoyWest Holdings, a joint venture aimed at wealthy individuals which the two banks set up in 1979.

The deal reflects growing competition in private banking (the provision of banking, investment management and advisory services to wealthy individuals). It will allow the two banks to pursue "more independent strategies" in this "expanding and highly competitive market," they said in a joint statement yesterday. The parting was amicable, they said.

RoyWest, which operates in such centres as the Bahamas, the Cayman Islands, the Isle of Man, the Channel Islands and Lichtenstein, had consolidated net assets of $42.3m on September 30 1986, the end of its last financial year.

Its services include investment, portfolio and mutual fund management. It had $600m under discretionary management last year.

Royal Bank of Canada plans to use a large part of the proceeds of the sale to develop its own private banking services. This will include "beefing up our own activities, particularly in the Bahamas and Cayman Islands, on the operational side."

The value of the deal was not disclosed.

Simon Engineering

Simon Engineering yesterday underlined its intention to seek comprehensive airport design and construction contracts by agreeing to pay £6.8m for Gloster Saro, the Hawker Siddeley subsidiary.

Gloster Saro's vehicle division makes fire crash tenders and rapid intervention vehicles, especially for use at airports, as well as road tankers and aircraft refuellers.

It will become part of the access sub-group of Simon's manufacturing division.

Gloster Saro's vehicles division made trading profits of £1.07m on sales of £16.6m in 1986.

Hawker will retain the somewhat smaller Instumat division.

COMMODITIES AND AGRICULTURE

EC reveals spending curbs

Tim Dickson details ambitious proposals on farm spending cuts adopted in Brussels

THE European Commission yesterday ended weeks of suspense by disclosing the full details of its ambitious plan to curb EC agricultural spending.

The often-radical proposals, which were formally adopted by the 17 Commissioners at their weekly meeting in Brussels, cover a wide range of products in the north and the south of the Community. But they will probably inspire the loudest squeals of protest from the Community's cereal growers *and dairy farmers, as well as* British sheepmeat producers.

The proposals are designed to provide better budgetary discipline on a year-by-year basis, preventing a repeat of the 40 per cent increase in agricultural expenditure between 1984 and 1987. This was largely responsible for the Community's current financial crisis.

Perhaps it was just as well that the new ideas of the Brussels executive were not disclosed until EC farm ministers had concluded their own regular monthly discussions on Tuesday and had disappeared to the safe distance of their national capitals.

After all, *it is* the ministers who will ultimately translate the Commission's plans into concrete action. And while the pressures for Common Agricultural Policy (CAP) re*form have never been greater,* there is bound to be a great deal of special pleading from most member states.

The Commission had already prepared the intellectual ground with a paper outlining its broad strategy for "agricultural budget stabilisers" at the beginning of August. But yesterday was much more than just a question of dotting the "i"s and crossing the "t"s.

The main proposals by product regime are:

● MILK. The quota system introduced in 1984, and due to expire in 1989, will be made permanent and the 9½ per cent *cuts in production agreed by* farm ministers last December (including the 5½ per cent which were only "suspended") will be made permanent.

For technical reasons the current five year regime will be extended by a further six months and there will be a transitional period between October 1989 and September 1991 when the compensation currently paid to farmers will be reduced and then eliminated.

Compensation is currently Ecu 10 per 100 kg, this will be reduced *to Ecu 8 between April* and September 1989, Ecu 7 in 1989/90 and Ecu 6 in 1990/91. Thereafter, the Commission suggests it should disappear.

Officials in Brussels are confident that prolonging the milk quota regime will restore the equilibrium of the market and, as a result, they aim to introduce more flexibility into the system.

Thus the plan is to break more firmly the link between ownership of land and possession of quotas—quota leasing has now been officially sanctioned — but detailed ideas seunctioned—but detailed ideas have yet to be put forward on *this point.*

● CEREALS. The Commission is proposing for the 1988/89 season a "guaranteed maximum quantity" of 155 m tonnes for *the whole of the EC.*

Once this is exceeded, the Commission wants the power to reduce prices by up to 5 per cent for the 1988/89 season, 7.5 per cent for 1989/90 and to increase the co-responsibility levy by up to the same amount. Further changes to the intervention arrangements would accompany these plans.

● *SHEEPMEAT. The Commission* wants to phase out the special variable premium paid to British producers — essentially the difference between the market price and a target price — and replace it by a single ewe premium.

Contrary to some expectations, there are no plans to introduce Monetary Compensatory Amounts for the sector.

There will be a "guarantee threshold" of 37m heads of sheep for the Community (with price reductions where necessary), but Britain will have its own threshold during a transitional period. *Discussions will start with* "third countries" such as New Zealand "with a view to stabilising imports of frozen meat and improving import prices."

● SUGAR. As expected, the quota levels for the next two years will not be changed. But the levies on producers designed to make the sector self-financing over a five-year period would be increased, so the Community would recover the costs within the space of a single marketing year.

● *WINE. Surpluses continue to* grow each year and the Commission is proposing eventually to do away with two aids for the sector, including the guarantee of good wine payment.

● TOBACCO. The Commission is proposing to introduce guaranteed maximum quantities by groups with a global *threshhold of 350,000* tonnes. *Once this had been exceeded* there would be an automatic reduction in prices and other supports.

Increase in average gold price forecast

By Deborah Hargreaves

THE PRICE of gold should e slightly higher in 1988 than the average for this year, estimated to be about $460 to $480 per ounce, according to Shearson Lehman Brothers.

However, the gold market should close slightly lower than its opening price, says a report by Shearson's London Metals Research Unit. This will be partly due to increased gold output, particularly from North America and Australia, creating excess supply.

Gold production is estimated at around 1,543 tonnes this year, compared with last year's 1,542 tonnes and a *forecast of 1,542 to* 1,662 tonnes for next year.

This is on estimated consumption levels of 1,371 tonnes this year and 1,360 to 1,447 tonnes *next year.*

US fears of inflation have helped boost the gold price from a low of $390 per ounce at the beginning of the year to its current $460 per ounce.

Shearson expects any rally in price towards the end of the year, on the back of a slight supply squeeze, to be capped at $500 per ounce.

Doubts on Soviet grain record

BY PATRICK COCKBURN IN MOSCOW

THE SOVIET grain harvest is unlikely to establish the record of more than 237m tonnes this year predicted by one of the country's top economic experts, diplomats in Moscow said yesterday.

Dr Abel Agenbegyan top econoic adviser to Mr Mikhail Gorbachev the Soviet leader said in an interview last Sunday that this year's crop would be the highest ever exceeding the previous record of 237m tonnes *set in 1978.*

This forecast has caused surprise in the Soviet capital, where the Communist Party daily Pravda, yesterday appealed for a big effort to bring in the last of the harvest before it is spoiled by wet weather or early frosts expected at the end of the month.

The US Department of Agriculture has predicted that this year's Soviet harvest will be about 205m tonnes, the first time it has ever gone over 200m tonnes for two years running. Last year's crop was 210m

Good harvest figures would be an important boost for Mr Gorbachev because Soviet industry is slow to respond to the reforms in management

Given poor weather conditions this year, they would also indicate that a new system of incentives for Soviet farms is paying dividends.

But diplomats in Moscow are still surprised by Dr Agenbegyan's *forecast* of a record harvest. A very cold winter led to *the loss of 25 per cent of the* winter grain crop according to Soviet figures, and this loss will be difficult to make up.

Pravda yesterday said millions of hectares of grain were still unharvested, with the situation particularly bad in the so-called virgin lands of North Kazakhstan and South Siberia.

Some 77 per cent of the crop has been harvested compared with 93 per cent last year.

Other reports suggest good crops in the Ukraine and North Caucasus. Pravda gave no figure for the expected grain crop, but said that output of maize, sunflowers, sugar beet, cotton and potatoes were all lower

Preliminary estimates from the UK Ministry of Agriculture put this year's UK cereals harvest at 23m tonnes, down from 24.5m tonnes last year, writes Our Commodities Staff.

The wheat and barley harvests are expected to see a drop from last year's levels, but rapeseed output is forecast to reach a record 1.3m tonnes.

However, the Ministry of Agriculture cautioned that these figures are more than usually tentative because of the difficult harvest and the wide variations in growing conditions across the country.

US wheat feeding set to fall

BY NANCY DUNNE IN WASHINGTON

THE USE of wheat for animal feed should decline in the US next year after growing by almost a17 per cent in 1986-87, according to the US Department *of Agriculture.*

Assuming normal weather next year, wheat feeding should return to trend growth of about 5 per cent a year.

World wheat feeding has been growing for two decades. The current surge has been marked by an increase in feed-wheat trade and higher non-traditional use.

The EC, Australia and Canada are main exporters, since all had low-quality crops last year which exceeded domestic demand. Feed-wheat accounted for 17 per cent of Canada's 1986 wheat crop.

The exporters have found new markets in Mexico and Korea, where estimated use was up 49 per cent to 1.7m tonnes and 28 per cent to 1.4m tonnes respectively.

Korea was lured by a price which for much of 1986 was lower than for maize. At the end of 1986, US maize ($84 a tonne) was hustled out of the Korean market by Australian feed-wheat ($71 per tonne).

Somfa to join Baltic Futures Exchange

BY DAVID BLACKWELL

THE SOYA BEAN Meal Futures Association (Sofa) yesterday voted overwhelmingly at its annual general meeting to be the first exchange to join the Baltic Futures Exchange.

The new exchange has been set up by the *futures markets* operating at London's Baltic Exchange to avoid duplicating the regulatory and administrative costs involved in becoming a Recognised Investment Exchange (RIE), as required by the new financial services legislation.

Tomorrow the Baltic International Freight Futures Exchange (Miffex) meets to consider joining the Baltic Futures Exchange, and next week the London Meat Futures Exchange are expected to confirm that they will also join.

The Grain Futures Market is expected to join shortly, making a total of five exchanges under the new *organisation.*

Representatives of all the exchanges started discussing the possibility of an RIE structure at the beginning of this year, and have been represented on the new exchange's formation committee since March.

Mr Bill Englebright, secretary of the Soya Bean Meal Futures Association, said it would cost considerably less to run the markets as a unified exchange. The first saving will be made with the application next month to become an RIE, which costs £10,000.

If the exchanges were acting individually they would have had to pay £10,000 each.

Mr Paul Frain, outgoing chairman of the association, said that even without the cost savings involved, the move was "logical and sensible." It would make it easier to sell the markets, he said, and it was better "to have strength in unity rather than dssipate resources by acting separately."

Mr Dennis Wilkins, the incoming chairman, said he would be looking for more participation in the soya bean meal market from continental Europe, bearing in mind that London is on the same time scale and that it prices are more in line with Europe than Chicago prices.

● *The London Potato Futures* Market is hoping to launch next year a traded options contract on its main crop potato contract for delivery in April. Meanwhile, the Grain Futures Market is planning traded options contracts on its main wheat contract, as well as a new rapeseed futures contract, according to Mr Peter Freeman, futures markets manager at GAFTA.

Victor Mallet on attempts to keep Zimbabwe exports rising

A taste of passion and cooler teas

ZIMBABWE's small but highly productive tea industry, which has trebled export volumes in 10 years, is hoping to increase *output further in spite of low* world prices, rising costs, foreign exchange shortages and disruptions caused by the war in neighbouring Mozambique.

The country first started producing in the 1920s and the tea plantations along Zimbabwe's hilly eastern border cover only 5,300 hectares. Five big estates account for 4,100 hectares and small-scale growers make up the rest.

Last year's crop totalled 15,679 tonnes, of which 11,125 tonnes (worth about Z$30m) was exported, giving Zimbabwe less than 2 per cent of the world export market.

But Zimbabwean growers, using irrigation on 60 per cent of the planted area and working hand-in-hand with the Tea Research Foundation of Central Africa in Malawi, have achieved what they say are the highest yields in the world.

Tanganda Tea Company, the dominant grower in Zimbabwe, produced more than 4,000 kg per hectare last year. This compares with a Zimbabweav erage of 2,900 kg per hectare, less than 2,000 kg for Kenya and India and below 1,000 kg for Sri Lanka.

Zimbabwean tea estates have to cope with a cool winter period in June and July when the tea is virtually dormant, and with much higher minimum wages than *their competitors* in this labour intensive industry.

Researchers are now aiming for annual yields of 6,000 kg to 8,000 kg per hectare.

as the "They *are looking for*

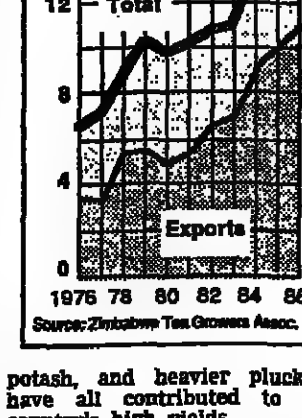
"They are looking for teas which will produce at a lower temperature," says Mr Tim Evers, secretary of the Zimbabwe Tea Growers Association.

"This big increase in yields in Zimbabwe has virtually covered the cost of the increased wages. The only hope now is to uproot the old tea and plant much higher producing clones."

Zimbabwe, which exports most of its tea to the London auctions and some to South Africa and the Middle East, is putting the emphasis on producing more tea of medium quality. Irrigation — which purists criticise — doses of potash, and heavier plucking have all contributed to the country's high yields.

Zimbabwe tea crop

Thousand tonnes



Source: Zimbabwe Tea Growers Assoc.

This year production and profitability are being affected by a shortage of water and by guerrilla attacks across the border.

Rebels of the Mozambique Resistance who oppose Zimbabwe's military assistance to the Maputo government have already attacked two tea estates since June, forcing companies to increase security measures and restrict or screen their Mozambican migrant worker as the plucking *season approaches its* peak.

Although Zimbabwe now makes much of its own tea-processing machinery, the lack of foreign exchange has led to shortages of vehicles and spares.

With bulk tea prices low, Zimbabwean growers are trying to export more of their own brands for the less volatile consumer market. Most of them also grow coffee, as the seasons interlock conveniently with tea, and some are experimenting with new export crops such as granadillas (passion flower fruit) and flower seeds.

The area under tea may not, therefore, grow substantially in the short term. But there is potential for expansion, especially in the Mount Selinda area near Chipinge, as well as for still higher yields on existing planatations.

LONDON MARKETS

COFFEE PRICES rose sharply in London in morning trading on overnight news that producing countries had finally agreed, after five days of bargaining, on a quota package to present to consumers at the International Coffee Organisation talks. But Indonesia, the world's third biggest producing country, put together a counter proposal on the distribution of export quotas, sparking fresh fears in the market about the unity of the coffee producers. The news quickly wiped out the morning's gains, the prices in the afternoon touched £1,247 on the November robusta contract after heavy commission *house selling. But the market* recovered after seeing prices in New York steadier than expected, and November robusta closed at £1,262, up £11.50 on Tuesday's close. Dealers said market sentiment was very nervous and susceptible to developments at the ICO talks. Meanwhile, aluminium prices closed *firmer as the continuing tightness of supplies forced traders to cover themselves against potential options declarations.*

LME prices supplied by Amalgamated Metal Trading.

ALUMINIUM

99.7% purity	Unofficial close (p.m.) $ per tonne	+ or —	High/Low
Cash	1905-15	+20	—
3 months	1770-6	+15.5	1750/1740

Official closing (am): Cash 1,880-900 (1,855-65), three months 1,739-44 (1,735-45), settlement 1,900 (1,865). Final Kerb close: 1,790-800. Ring turnover ——— tonnes.

99.5% purity	£ per tonne		
Cash	1148-50	—27	—
3 months	1060-1	—14.5	1075/1045

Official closing (am): Cash 1,128-7 (1,106-7), three months 1,050-1 (1,037-8), *settlement* 1,127 (1,107). *Final Kerb* close: 1,070-1. Ring turnover: 26,200 tonnes.

COPPER

Grade A	Unofficial close £ per tonne	+ or —	High/Low
Cash	1129-30	+3	1135/1123
3 months	1111-5	+5.5	1125/1099

Official closing (am): Cash 1,124-5 (1,123-4), three months 1,104-5 (1,102-3), settlement 1,125 (1,124). Final Kerb close: 1,121-2.

Standard			
Cash	1127-9	+3.5	—
3 months	1107-9	+4.5	—

Official closing (am): Cash 1,122-4 (1,122-3), three months 1,100-2 (1,101-3), settlement 1,124 (1,123). US Producer prices: 85.25-90 cents a pound. Total ring turnover: 41,575 tonnes.

LEAD

	Unofficial close (p.m.) £ per tonne	+ or —	High/Low
Cash	379-80.5	+1.5	378
3 Months	369-70	+4	372/364

Official closing (am): Cash 375-7 (372-3), three months 369-8.5 (369.5-80), *settlement* 377 (373). *Final Kerb* close: 370-2. Ring turnover: 7,575 tonnes. US Spot: 43 cents a pound.

NICKEL

	Unofficial close (p.m.) £ per tonne	+ or —	High/Low
Cash	3225-45	—25	3215
3 months	3250-60	—32.5	3240/3225

Official closing (am): Cash 3,215-20 (3,230-40). three months 3,225-30 (3,250-5). settlement 3,220 (3,240). Final Kerb close: 3,235-40. Ring turnover: 1,440 tonnes.

ZINC

High g ade	Unofficial close (p.m.) £ per tonne	+ or —	High/Low
Cash	457-8	+2	—
3 months	462-2.5	+1.75	466/461

Official closing (am): Cash 459-60 (451-2), three months 464-5 (455.5-6). settlement 460 (452). Final Kerb close: 461-2. Ring turnover: 11,750 tonnes. US Prime Western: 43-47.75 cents per pound.

LONDON METAL EXCHANGE TRADED OPTIONS

	Strike Price	Calls		Puts	
	$/tonne	Nov.		Nov.	
Aluminium 99.7%	—	—		—	
		Nov.	Jan.	Nov.	Jan.
Aluminium 99.5%	1,750	110	56	36½	153
	1,800	80	—	56½	—
	1,850	56½	—	82	—
Copper (Grade A)	1,750	115½	99	32	53½
	1,800	82½	75	51	77
	1,850	58	55	75½	105½
	£/tonne				
Copper (Grade A)	1,100	40½	44	20½	43
	1,125	27½	33	32	58½
	1,150	17½	24½	47	73½

TIN

KUALA LUMPUR TIN MARKET—Close: 16.84 (16.89) ringgit per kg. Down 0.05.

GOLD

GOLD BULLION (fine ounce)	Sept. 23	
Close	$462-462½	(£281½-282)
Opening	$460¼-460¾	(£281-281½)
M'n'g fix	$461.05	(£281.574)
Aft'n'n fix	$462.40	(£281.522)
Day's high	$462¾-465¼	—
Day's low	$460-460½	—

GOLD AND PLATINUM COINS		
Am Eagle	$476-481	(£289¾-292¾)
Mapleleaf	$475½-478½	(£289½-291¼)
Kr'g'r'nd	$460¼-465¾	(£280-283¼)
½ Krug.	$241-250	(£146½-152¼)
¼ Krug.	$123-131	(£74¾-79¾)
Angel	$471-474	(£286½-288½)
1/10 Angel	$50-55	(£30¼-33½)
New Sov.	$108¾-109¾	(£66¼-66¾)
Old Sov.	$108¾-110¼	(£66¼-67)
Noble Plat.	$604-613	(£367½-373)

JUTE

JUTE—September c and f Dundee: BTC $570, BWC $560, BTD $485, BWD $458; c and f Antwerp: BTC $540, BWC $530, BWD $475, BTD $465.

SILVER

Silver was fixed 3.95p an ounce lower for spot delivery in the London bullion market yesterday at 461.3p. US cent equivalents of the fixing levels were: Spot 754.15c, down 11.65c; three-month 768.9c, down 11.4c; six-month 783.35c, down 12.65c; and 12-month 817.5c, down 13.95c. The metal opened at 460-461½p (754-758c) and closed at 467-467½p (765-767c).

SILVER per troy oz	Bullion Fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	461.30p	—3.95	781c	+4
3 months	473.10p	—3.85	775c	+4
6 months	483.95p	—4.20	—	—
12 months	508.10p	—4.85	—	—

Three months final kerb 776-7c.

LME—Turnover: Nil (nil) lots of 10,000 ounces.

INDICES

REUTERS

Sept. 22	Sept. 21	M'th ago	Year ago
1662.6	1664.6	1668.4	1509.9

(Base: September 18 1931=100)

DOW JONES

Dow Jones	Sept. 22	Sept. 21	M'th ago	Year ago
Spot	127.92	128.10	—	125.04
Fut	130.40	131.84	—	127.15

(Base: December 31 1931=100)

MAIN PRICE CHANGES

	Sept. 23 1987	+ or —	Month ago
METALS			
Aluminium			
Free Market	$1860/925	+37.5	$1790/815
Copper			
Cash Grade A	£1129.5	+3	£1066.5
3 months	£1111.25	+5.5	£1048.25
Gold Troy oz	$462.25	—2	$457.75
Lead Cash	£380	+1.5	£415.5
3 months	£369.5	+4	£391.5
Nickel			
Free Mkt	238/255c	—3	244/264c
Palladium oz	$137.00	—0.75	$138.75
Platinum oz	$589.75	—0.15	$597.75
Quicksilver†	$310,325		$275/285
Silver troy oz	461.30p	—3.85	477.05p
3 months	473.10p	—3.85	489.70p
Tin			
free Mkt	£4155/185		£4220/256
Tungsten	$53.78		$53.23
Wolfram 22.04lb	$38/50		$43/55
Zinc	£457.5	+2	£495.5
3 months	£462.25	+1.25	£495.25
producers	$860		$860
OILS			
Coconut (Phil)	$475u		$490
Palm Malayan	$360z		$380
Seeds			
Copra (Phil)	$320		$325
Soyabean (U.S.)	$152		$149.25
GRAINS			
Barley Fut. Nov.	£109.75	—0.45	£101.55
Maize	£144.00		‡
Wheat Fut. Nov.	£106.40	—0.40	£104.00
No. 2 Hard Wint.	‡		‡
OTHERS			
Cocoa Ft. Dec.	£1237	+4	£1321.5
Coffee Ft. Nov	£1262	+11.5	£1327.5
Cotton A Ind.*	82.50c	—0.75	85.60c
Gas Oil. Nov.	$158.75	+1	$155.75
Rubber (kilo)	67.75p	—0.75	70.35p
Sugar (raw)	$164w	+0.8	$146.8
Wooltops 64s	480p kilo		548pkilo

‡ Unquoted. † Per 76-lb flask. c Cents a pound. * Cotton outlook. v Oct. x Aug-Sept. w Oct-Nov. u Sept-Oct. y Nov. z Dec.

COFFEE

Robustas opened £25 higher in response to the producers agreeing to *put forward* a proposal to consumers, reports Drexel Burnham Lambert. However, early gains were eroded by overhead trade selling as the market became nervous over possible producer disunity and new lows were made early in the afternoon. The market *eventually closed mixed above the lows* with good two-way action accounting for the high volume.

COFFEE	Yesterday close	+ or —	Business done
Sept	1226-1237	+8.5	1254-1224
Nov	1261-1265	+11.0	1280-1247
Jan	1282-1285	—4.0	1310-1274
Mar	1310-1315	+0.5	1330-1298
May	1330-1335	+1.5	1350-1320
July	1350-1355	—1.5	1365-1342
Sept	1365-1375	—1.5	1387-1360

Sales: 8,146 (4,682) lots of 5 tonnes.

ICO indicator prices (US cents per pound) for September 22: Comp. daily 1979 101.34 (104.59): 15-day average 105.59 (106.00).

COCOA

After failing to make the higher levels due on the opening, futures fluctuated within a £17 range and closed margin*ally steadier than the previous evening,* reports Gill and Duffus.

	Yesterday's close £ per tonne	+ or —	Business done
Sept	1200-1202	—0.5	1205-1199
Dec	1235-1238	+4.0	1245-1227
March	1269-1270	+5.5	1275-1258
May	1290-1291	+8.0	1295-1288
July	1310-1312	+8.0	1314-1308
Sept	1330-1332	+8.5	1335-1331
Dec	1350-1352	+7.5	1355-1356

Sales: 2,186 (3,694) lots of 10 tonnes.

ICCO indicator prices (SDRs per tonne). Daily price for September 23: 1,561.56 (1,552.69): 10-day average for September 24: 1,536.46 (1,529.94).

FREIGHT FUTURES

	Close	High/Low	Prev.
Dry Cargo			
Oct.	1071	1075/1059	1065
Jan.	1126/1130	1128/1120	1135
Apr.	1170/1180	1175/1160	1175
July	1050/1120	—	1050/1060
Oct.	1150	1150/1150	1170
Jan.	1165	—	1170
April	1220/1300	—	1210/1300
BFI.	1026	—	1033

Turnover: 132 (149).

GRAINS

LONDON GRAINS—Wheat: US Dark Northern Spring No 2, 14 per cent: Oct 95.00, Nov 96.50. US No 2 Soft Red Winter: Oct 92.00, Nov 94.50, Dec 96.50. French 11½-12 per cent: Sept 136.00 sellers. English feed, fob: Sept 107.00, Oct 108.50 sellers, Oct/Dec 108.50-109.50 buyer/sellers, Nov 109.50 sellers, Jan/March 111.50-112.00. April/June 115.50-116.00 buyer/sellers. Maize: US No 3 Yellow/French, transhipment East Coast: Sept 144.00 seller. Barley: English feed: Sept 102.00 seller. Oct 105.50, Oct/Dec 108.50 sellers. Nov 108.25 buyer, Jan/March 111.75 sellers.

	WHEAT		BARLEY	
Mnth	Yest'rdy's close	+ or —	Yest'rdy's close	+ or —
Sep.	105.25	—2.65	101.30	—0.20
Nov.	106.40	—0.40	102.75	—0.45
Jan.	108.40	—0.45	105.00	—0.55
Mar.	110.95	—0.45	106.90	—0.50
May	115.50	—0.55	106.75	—0.75
July	115.60	—0.25	—	—

Business done—Wheat: Sept 107.30-5.25, Nov 107.00-6.40, Jan 109.05-8.50, *March* 111.50-10.95, May 114.10-3.50, July 115.60. Sales: 299 lots of 100 tonnes. Barley: Sept 101.30-1.00. Nov 103.30-2.75, Jan 105.35-5.00, March 107.50-6.90, May untraded. Sales: 188 lots of 100 tonnes.

HGCA — Locational ex-farm spot prices. Feed barley: E. Midlands 100.30, Scotland 97.20. The UK monetary coefficient for the week beginning Monday September 28 will change to 1.178.

RUBBER

PHYSICALS—Closing prices (buyers): Spot 67.75p (68.50p): Oct 68.75p (69.00p): Nov 69.00p (69.25p). The Kuala Lumpur fob prices—(Malay-Singapore cents) per kg was: RSS No 1 289.5 (289.0): SMR 20 254.5 (255.0).

US MARKETS

AGGRESSIVE technical buying by both the trade and funds in crude oil rallied prices sharply following early indifferent trading, reports Drexel Burnham Lambert. However, once the buying dried-up profit-taking and local long-liquidation pared gains. The precious metals were generally quiet but responded to the firm energy markets on local and commission house buying before trade buying towards the close eased prices. Copper was firm on good trade, commission house and local buying before prices eased towards the close on profit-taking. Local and commission house selling eased sugar prices as the market prepared for expiraty of the October contract. The trade was a scale-down buyer. Coffee was firm in nervous trading as the likelihood of an agreement at the ICO talks emerged. Cocoa eased on arbitrage and speculative selling, touching off stops before trade buying recovered prices from the lows. Constructive domestic consumption figures prompted good trade and local buying in cotton. Commission house selling eased orange juice despite trade buying. The meats were quiet. October cattle eased on liquidation, but forward contracts firmed on spread buying. The pork bellies and hogs were mixed. The grains eased in early trading, but professional buying emerged in soyabean meal which firmed soyabeans and maize. Wheat remained on the defensive for most of the day.

NEW YORK

ALUMINIUM 40,000 lbs, cents/lb

	Close	Prev	High	Low
Sept	83.50	81.55	—	—
Oct	81.28	79.25	—	—
Nov	81.25	79.25	—	—
Dec	81.00	79.00	81.00	79.00
Jan	78.75	77.25	—	—
March	75.50	74.75	—	—
May	71.65	71.65	71.65	71.50
July	69.25	69.80	—	—

COPPER 25,000 lbs; cents/lbs

	Close	Prev	High	Low
Sept	82.40	81.70	82.30	81.60
Oct	82.00	81.10	—	—
Nov	81.60	80.60	—	—
Dec	81.20	80.20	81.90	80.35
Jan	80.60	79.55	—	—
March	79.40	78.40	80.00	78.60
May	78.60	77.65	79.00	78.10
July	77.15	76.10	—	—
Sept	77.70	76.55	78.00	78.00
Dec	77.55	76.50	78.20	77.40

COTTON 50,000 lbs; cents/lbs

	Close	Prev	High	Low
Oct	76.22	74.37	76.35	74.50
Dec	75.45	73.45	75.45	73.20
Mar	76.72	74.72	76.72	74.65
May	77.20	75.30	77.30	75.30
Jul	76.65	74.85	76.00	74.90
Oct	69.50	68.27	69.50	69.25
Dec	67.30	66.15	67.50	66.20

CRUDE OIL (LIGHT) 42,000 US gallons: $/barrels

	Latest	Prev	High	Low
Nov	19.60	19.30	19.65	19.28
Dec	19.45	19.16	19.47	19.14
Jan	19.35	19.10	19.35	19.10
Feb	19.27	19.07	19.29	19.07
March	19.20	19.04	19.20	19.03
April	19.20	19.01	19.20	19.10
May	19.08	18.99	19.09	18.97
June	19.05	18.97	19.05	18.98
July	19.05	18.98	19.05	18.95
Aug	19.01	18.95	19.03	18.94

GOLD 100 troy oz; $/troy oz

	Close	Prev	High	Low
Sept	462.0	462.1	—	—
Oct	464.8	462.7	464.0	460.8
Nov	465.8	466.0	—	—
Dec	468.7	468.9	469.7	467.0
Feb	475.1	475.2	476.5	473.5
April	481.4	481.6	482.5	479.2
June	487.9	488.1	487.5	487.5
Oct	501.8	502.0	—	—
Dec	509.0	509.2	509.7	508.2
Feb	516.4	516.8	—	—
June	531.4	531.8	—	—

SILVER 5,000 troy oz; cents/troy oz

	Close	Prev	High	Low
Sep	765.5	759.9	769.0	757.0
Oct	767.1	761.6	—	—
Nov	772.2	766.7	—	—
Dec	777.0	771.8	780.5	764.5
Jan	782.0	776.5	—	—
Mar	793.9	788.2	796.0	784.0
May	805.5	799.2	806.0	802.0
Jul	817.6	811.9	819.0	819.0
Sep	829.8	823.9	—	—

COFFEE "C" 37,500 lbs. cents/lb

	Close	Prev	High	Low
Dec	112.25	111.78	113.25	111.10
March	116.30	115.40	116.40	114.50
May	118.00	117.40	118.00	116.50
July	119.00	119.00	119.50	117.50
Sept	121.00	119.75	—	—
Dec	121.13	120.88	—	—

HEATING OIL 42,000 US gallons, cents/US gallons

	Latest	Prev	High	Low
Oct	53.25	52.08	53.50	52.25
Nov	53.95	52.77	54.25	52.90
Dec	54.45	53.33	54.65	53.60
Jan	55.00	53.96	55.10	54.10
Feb	55.20	54.18	55.25	54.30
March	53.25	52.53	53.25	52.70
April	51.40	51.23	51.50	51.40
May	50.10	50.03	50.35	50.10

ORANGE JUICE 15,000 lbs: cents/lbs

	Close	Prev	High	Low
Nov	130.30	132.50	132.30	129.50
Jan	128.75	130.40	130.25	128.20
March	129.70	130.50	130.50	129.25
May	131.00	130.80	131.00	131.00
July	131.25	130.95	131.25	131.25
Nov	130.55	129.95	—	—
Jan	130.65	129.95	—	—

PLATINUM 50 troy oz; $/troy oz

	Close	Prev	High	Low
Sept	592.7	593.2	—	—
Oct	594.7	595.6	597.5	590.6
Jan	603.7	604.6	607.0	600.2
Apr	612.2	613.8	612.5	610.0
July	621.9	622.6	623.0	622.9
Oct	631.2	631.8	632.0	631.0

SUGAR WORLD "11" 112,000 lbs; cents/lbs

	Close	Prev	High	Low
Oct	6.07	6.28	6.27	6.06
Jan	6.37	6.60	6.65	6.40
March	6.96	7.12	7.10	6.94
May	7.17	7.32	7.29	7.15
July	7.35	7.47	7.43	7.30
Oct	7.57	7.73	7.67	7.52
Jan	7.84	8.00	—	—

CHICAGO

LIVE CATTLE 40,000 lbs; cents/lbs

	Close	Prev	High	Low
Oct	66.52	66.67	66.90	66.40
Dec	69.12	68.90	69.32	68.80
Feb	68.57	68.30	68.80	68.15
April	69.32	69.27	69.45	68.95
June	68.72	68.77	68.85	68.47
Aug	67.45	67.75	67.90	67.30
Oct	66.10	66.40	66.50	66.00

LIVE HOGS 30,000 lbs; cents/lbs

	Close	Prev	High	Low
Oct	48.85	48.57	49.07	48.50
Dec	46.50	46.58	46.80	46.22
Feb	44.00	44.22	44.50	43.85
Apr	41.25	41.35	41.47	41.10
June	43.55	43.55	43.80	43.55
July	43.75	43.82	43.90	43.58
Aug	43.20	43.25	43.40	43.20
Oct	40.85	40.65	40.75	—
Dec	40.80	40.80	—	—

MAIZE 5,000 bu min; cents/56lb-bushel

	Close	Prev	High	Low
Dec	176.4	176.6	176.6	174.0
Mar	185.6	185.0	186.0	183.4
May	191.0	190.6	191.0	188.4
July	193.4	192.4	193.4	191.4
Sep	190.2	190.2	190.4	189.5
Dec	192.2	192.2	192.6	191.6
Mar	199.0	—	—	—

PORK BELLIES 38,000 lbs; cents/lbs

	Close	Prev	High	Low
Feb	59.17	59.00	59.65	58.75
Mar	58.75	58.58	59.00	58.25
May	59.20	58.95	59.30	58.60
July	59.05	58.80	59.20	58.50

SOYABEANS 5,000 bu min. cents/60 lb bushel

	Close	Prev	High	Low
Nov	529.0	527.0	530.8	524.0
Jan	536.0	532.4	536.4	529.4

COCOA 10 tonnes, $/tonnes

	Close	Prev	High	Low
Dec	1934	1949	1955	1931
March	1943	1960	1960	1943
May	1967	1989	1982	1966
July	1987	2004	1997	1984
Sept	2006	2034	2015	2015
Dec	2036	2057	2052	2048

Mar	541.2	538.4	542.2	535.0
May	546.0	543.4	546.4	540.2
Jul	547.5	544.8	548.4	542.0
Aug	546.0	543.0	546.0	545.0
Sep	534.0	532.0	534.0	533.0
Nov	531.4	529.0	532.0	528.0

SOYABEAN MEAL 100 tons, $/ton

	Close	Prev	High	Low
Oct	173.8	170.2	174.4	169.8
Dec	169.0	165.9	169.4	164.5
Jan	167.1	164.2	167.2	162.2
Mar	165.6	163.0	165.8	162.0
May	164.2	163.5	165.0	161.5
July	163.4	162.0	164.0	161.0
Aug	162.0	162.1	162.0	162.1
Sept	161.6	162.0	163.0	161.1

SOYABEAN OIL 60,000lb; cents/lbs

	Close	Prev	High	Low
Oct	16.32	16.28	16.44	16.21
Dec	16.60	16.63	16.81	16.56
Jan	16.88	16.79	16.97	16.76
Mar	17.16	17.12	17.28	17.06
May	17.40	17.35	17.53	17.37
July	17.58	17.59	17.70	17.50
Aug	17.60	17.63	17.70	17.60
Oct	17.67	17.66	17.66	17.70

WHEAT 5,000 bu min; cents/60lb-bushel

	Close	Prev	High	Low
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]

SPOT PRICES: Chicago loose lard 16.00 (same) cents per pound. Handy and Harman silver bullion cents per troy ounce. New York tin 319-317 (315.5-318) cents per pound.

MEAT

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 95.61p per kg lw (−1.33). GB—Sheep 163.09p per kg est dcw (−4.91). GB—Pigs 73.70p per kg lw (−1.54). GB—AAPP 96.53p per kg dw.

FUTURES—Pigs: Feb 96.60, April 99.00. *Sales: 8.*

POTATOES

The market briefly traded 90p down during early trade on the combined influences of an improved weather forecast and revised PMB planting figures. However, the dip was unconvincing and in thin volume the market recovered to unchanged levels by midday. Values rose further in the afternoon as the market reflected continued uncertainty over lifting conditions, reports Coley and Harper.

Month	Yesterday's close	Previous close	Business done
	£ per tonne		
Nov.	84.00	84.00	84.00-83.50
Feb.	93.50	96.60	—
March	85.70	85.80	—
Apr.	133.90	135.40	134.50-132.50
May	149.00	148.10	—

Sales: 476 (351) lots of 40 tonnes.

SOYABEAN MEAL

Continued commercial selling on weaker cash and Chicago markets kept prices on the defensive throughout the day in light volume, reports Muirpace. *Sales: 15 (2,051) lots of 20 tonnes.*

	Yesterd'ys close	+ or —	Business done
	£ per tonne		
October	125.4-125.5	—0.75	—
Dec	129.5-129.5	—1.00	129.5-128.8
Feb	130.5-130.5	—1.00	—
April	131.0-132.0	—0.50	—
June	125.5-127.5	—0.25	—
August	124.0-126.5	+0.25	—
October	125.5-126.0	—0.05	—

GAS OIL FUTURES

Month	Yesterd'ys close	+ or —	Business done
	US$ per tonne		
Oct	156.75	+0.75	157.50-55.25
Nov	158.75	+1.00	159.75-57.25
Dec	160.75	+1.50	160.75-59.25
Jan	162.00	+0.25	162.00-61.00
Feb	163.00	+0.50	143.00

Turnover: 1,837 (2,893) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar $164.00 (£100.40), up 80c (up £1.00) a tonne for October-November delivery. White sugar $185.20, up 20c.

PARIS—Whites (FFr per tonne): Dec 1115-1121, March 1150-1152, May 1177-1185, Aug 1205-1218, Oct 1228-1240, Dec 1266-1270.

	Yesterday's close	Previous close	Business done
	$ per tonne		
No. 6 Raws			
Oct	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]
No. 5 Whites			
Dec	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]

Sales: No 6 2,126 (2,919) lots of 50 tonnes. No 5 1,736 (2,413).

Tate and Lyle delivery price for granulated basis sugar was £206.00 (£204.00) a tonne for export.

International Sugar Agreement—(US cents per pound fob and stowed Caribbean ports). Prices for September 22: Daily price 6.08 (6.18); 15-day average 5.77 (5.74).

OIL

CRUDE OIL—FOB ($ per barrel) Oct.	Latest	Change + or —
Arab Light	—	
Arab Heavy	—	
Dubai	—	
Brent Blend	18.60-18.90	—
W.T.I. (1pm est)	18.90-18.95	+0.15
Forcados (Nigeria)	19.45-19.50	—0.05
Urals (cif NWE)	—	

PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	174-177	+1
Gas Oil	154-156	+1
Heavy fuel oil	104-106	
Naphtha	157-160	

Petroleum Argus estimates

CURRENCIES, MONEY & CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar gives up early gains

THE DOLLAR was little changed on the day in Europe, giving up early gains, after a senior US Treasury official said he was concerned about the rate of growth in West Germany. This tended to strengthen the view that if other countries will not respond to US calls to stimulate demand the dollar must decline to correct imbalances in world trade. The dollar also suffered from disappointing US economic news.

There was no lead for Europe from Tokyo, where the market was closed for a public holiday, but in early trading the dollar was supported by nws of clashes between US forces and Iranian vessels in the Gulf.

The dollar also gained ground on short covering ahead of the International Monetary Fund annual meeting and a gathering of Group of Seven finance ministers from leading indstrial nations in Washington.

After early gains the dollar suffered a st back on news that August US consumer prices rose 0.5 per cent, compared with 0.2 per cent in July. This took the year-on-year inflation rate up to 4.3 per cent. It was generally expected the August rise would be 0.2 to 0.3 per cent, and the year-on-year rate 3.9 to 4.0 per cent.

August US durable goods ordereds fell a disappointing 3.1 per cent in August, compared with a revised unchanged figure for July. Excluding defence orders fell 2.7 per cent in August, against a rise of 0.7 per cent the previous month.

The dollar rose to DM 1.8210 from DM 1.8205; to SFr 1.5120 from SFr 1.5075; and to FFr 6.0750 from FFr 6.0650, but fell to Y143.85 from Y144.15.

On Bank of England figures the dollar's index rose to 101.2 from 101.1.

STERLING—Trading range against the dollar in 1987 is 1.6885 to 1.4710. August average 1.5985. Exchange rate index was unchanged at 73.1, compared with 72.5 six months ago.

Sterling was little changed ahead of today's UK trade figures. The August deficit is expected to be an improvement over the July shortfall of £910m, and has been forecast within a general range of $750m to £900m. The current account deficit is also expected to decline, possibly by a greater amount, because of an increase in invisible earnings. Forecasts for the balance of payments suggest a deficit of £150m to £300m.

The pound has been very steady against the D-Mark lately, supported by recent good UK economic figures, but restricted by fear of Bank of England intervention at DM 3.00.

Sterling gained 10 points to $1.6425-1.6435, and rose to DM 2.9925 from DM 2.99; to SFr 2.4850 from SFr 2.4750; and to FFr 9.9800 from FFr 9.9575, but eased to Y236.50 from Y26.75.

DEUTSCHE MARK range against the dollar in 1987 is 1.9305 to 1.7690. August average 1.8573. Exchange rate index 146.4 against 147.3 six months ago.

The Deutsche Mark lost a little ground to the dollar in Frankfurt, with the US currency closing at DM 1.8210, compared with DM 1.8165 on Tuesday.

The Bundesbank did not intervene when the dollar was fixed at DM 1.8291, compared with DM 1.8171 on Tuesday.

The US currenc rose quietly during the morning, on technical factors and the rising tension in the Gulf, bt finished below the day's highs on disappointing US economic news.

£ IN NEW YORK

Sept. 23	Latest	Previous Close
£ Spot	1.6445-1.6450	1.6400-1.6410
1 month	0.30-0.29pm	0.34-0.33pm
3 months	0.93-0.90pm	0.93-0.91pm
12 months	2.78-2.68pm	2.55-2.48pm

Forward premiums and discounts apply to the U.S. dollar.

STERLING INDEX

	Sept. 23	Previous
8.30 am	73.0	73.2
9.00 am	73.1	73.2
10.00 am	73.1	73.2
11.00 am	73.1	73.2
Noon	73.0	73.2
1.00 pm	73.1	73.2
2.00 pm	73.2	73.1
3.00 pm	73.2	73.2
4.00 pm	73.1	73.1

CURRENCY RATES

Sept. 23	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.785666	0.694376
U.S. Dollar	5.5	1.28480	1.13614
Canadian $	8.75	*	1.49856
Austrian Sch.	4	16.5264	14.6175
Belgian Franc	7¾	48.7453	43.0965
Danish Krone	7	9.02122	7.98193
Deutsche Mark	3.0	2.35003	2.07686
Neth. Guilder	4½	2.64348	2.33760
French Franc	9½	7.83471	6.92532
Italian Lira	12	N/A	1498.68
Japanese Yen	2½	N/A	164.058
Norway Krone	8	8.57668	7.58996
Spanish Peseta	—	156.963	138.666
Swedish Krona	7½	8.23557	7.28775
Swiss Franc	3.5	1.94711	1.72238
Greek Drach.	20½	179.320	158.775
Irish Punt	—	N/A	0.773883

*C$/SDR rate for Sept. 22; 1.69925

CURRENCY MOVEMENTS

Sept. 23	Bank of England Index	Morgan Guaranty Changes %
Sterling	73.1	−20.3
U.S. Dollar	101.2	−5.9
Canadian Dollar	78.6	−9.8
Austrian Schilling	137.1	+10.0
Belgian Franc	99.7	−4.7
Danish Krone	90.8	+1.1
Deutsche Mark	146.4	+21.4
Swiss Franc	172.0	+22.3
Guilder	134.6	+14.2
French Franc	72.3	−13.4
Lira	47.2	−18.2
Yen	221.3	+64.9

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (Base average 1975=100).

OTHER CURRENCIES

Sept. 23	£	$
Argentina	4.1355-4.1545	2.5180-2.5280
Australia	2.2380-2.2410	1.3645-1.3655
Brazil	82.3925-82.8535	50.1630-50.4130
Finland	7.2205-7.2330	4.4010-4.4050
Greece	226.45-230.40	138.35-140.70
Hong Kong	12.8215-12.8330	7.8065-7.8075
Iran	117.60*	70.90*
Korea(Sth)	1316.45-1328.35	802.80-809.40
Kuwait	0.46250-0.46300	0.28150-0.28160
Luxembourg	62.05-62.15	37.75-37.85
Malaysia	4.1465-4.1515	2.5245-2.5255
Mexico	2550.80-2554.00	1553.00-1554.00
N. Zealand	2.5385-2.5435	1.5475-1.5495
Saudi Ar.	6.1595-6.1645	3.7500-3.7510
Singapore	3.4360-3.4405	2.0920-2.0930
S. Af. (Cm)	3.3665-3.3825	2.0470-2.0515
S. Af. (Fn)	5.3415-5.5215	3.2520-3.3615
Taiwan	49.20-49.45	30.05-30.15
U.A.E.	6.0320-6.0375	3.6725-3.6735

*Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu Sept 23	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	42.4582	43.0965	+1.50	+0.78	±1.5344
Danish Krone	7.85212	7.98193	+1.65	+0.93	±1.6404
German D-Mark	2.05853	2.07686	+0.89	+0.17	±1.0981
French Franc	6.90403	6.92532	+0.31	−0.41	±1.3674
Dutch Guilder	2.31943	2.33760	+0.78	+0.06	±1.5012
Irish Punt	0.768411	0.773883	+0.71	−0.01	±1.6684
Italian Lira	1,483.58	1,498.68	+1.02	+0.65	±4.0752

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

POUND SPOT—FORWARD AGAINST THE POUND

Sept 23	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.6335-1.6440	1.6425-1.6435	0.33-0.30 cpm	2.30	0.97-0.92 pm	2.30
Canada	2.1535-2.1661	2.1615-2.1625	0.18-0.08 c pm	0.72	0.38-0.26 pm	0.59
Netherlands	3.36-3.37¼	3.36¼-3.37¼	1⅜-1¼ c pm	4.67	4-3⅞ pm	4.92
Belgium	61.95-62.19	62.05-62.15	20-17 c pm	3.57	57-51 pm	3.48
Denmark	11.47¾-11.51¼	11.50¼-11.51¼	⅜ pm-½ ore dis	−0.39	⅛-1 dis	−0.20
Ireland	1.1120-1.1160	1.1140-1.1150	0.15-0.06c pm	1.13	0.40-0.25 pm	1.13
W. Germany	2.98½-2.99¼	2.98¾-2.99¾	1½-1⅜ pfpm	5.76	4½-4¼ pm	5.85
Portugal	233.87-236.83	235.58-236.54	52-105 c dis	−3.99	267-352 dis	−5.24
Spain	199.18-200.26	199.65-199.93	29-48 c dis	−2.31	166-203 dis	−3.69
Italy	2155-2161¼	2160-2161	3-5 lire dis	−2.22	14-18 dis	−2.96
Norway	10.91½-10.95¼	11.94¼-10.95¼	3⅜-3⅞ ore dis	−3.97	11-11¾ dis	−4.16
France	9.95½-9.98¾	9.97½-9.98½	2-1¼ c pm	2.25	5⅛-4¼ pm	1.88
Sweden	10.48-10.51½	10.50½-10.51½	¾-⅛ore pm	0.64	2⅛-½ pm	0.64
Japan	236-237	236-237	1⅛-1 y pm	5.39	3⅝-3¼ pm	5.60
Austria	20.99-21.15	21.02-21.05	10½-9⅞ gro pm	5.74	28-26 pm	5.15
Switzerland	2.47½-2.49	2.48-2.49	1⅜-1¼ c pm	6.04	4-3¾ pm	6.24

Belgian rate is for convertible francs. Financial franc 62.30-62.40. Six-month forward dollar 1.60-1.55 c pm. 12-month 2.53-2.43 pm.

DOLLAR SPOT—FORWARD AGAINST THE DOLLAR

Sept. 23	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.6335-1.6440	1.6425-1.6435	0.33-0.30c pm	2.30	0.97-0.92pm	2.30
Ireland†	1.4664-1.4743	1.4705-1.4715	0.14-0.09c pm	0.94	0.52-0.40pm	1.25
Canada	1.3165-1.3188	1.3170-1.3180	0.16-0.19c dis	1.59	0.55-0.58 dis	1.71
Netherlands	2.0470-2.0590	2.0515-2.0525	0.41-0.38c pm	2.30	1.18-1.13pm	2.25
Belgium	37.75-37.95	37.75-37.85	4.25-3.25c pm	1.19	12.00-10.00pm	1.16
Denmark	6.99-7.03¼	7.00½-7.01	0.60-1.30ore dis	−1.62	2.55-3.25 dis	−1.65
W. Germany	1.8165-1.8295	1.8205-1.8215	0.55-0.52pf pm	3.51	1.64-1.59pm	3.53
Portugal	143½-144	143½-143¾	50-150c dis	−8.34	225-425 dis	−9.09
Spain	121.45-122.30	121.60-121.70	60-75c dis	−6.62	190-220 dis	−6.70
Italy	1312-1320	1314¼-1315¼	4.30-5.80lire dis	−4.59	16.50-18.00dis	−5.23
Norway	6.65-6.68½	6.66-6.66½	3.55-3.90ore dis	−6.69	10.10-10.50dis	−6.17
France	6.06¾-6.10	6.07¼-6.07¾	0.04-0.14c dis	−0.18	0.49-0.79 dis	−0.42
Sweden	6.36¾-6.41¾	6.39½-6.40	0.80-1.10 ore dis	−1.78	2.80-3.20 dis	−1.87
Japan	143.65-144.55	143.80-143.90	0.40-0.37y pm	3.20	1.21-1.16 pm	3.28
Austria	12.79-12.87¼	12.82¼-12.85¼	4.00-3.00gro pm	3.27	10.50-8.50pm	2.95
Switzerland	1.5090-1.5160	1.5115-1.5125	0.48-0.44c pm	3.64	1.51-1.46 pm	3.92

† UK and Ireland are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 37.90-38.00

EURO-CURRENCY INTEREST RATES

Sept. 23	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	10¼-10	10¼-9⅞	10-9⅞	10 1/16-10	10 3/16-10⅛	10⅜-10 5/16
U.S. Dollar	7⅝-7½	7 11/16-7 9/16	7 13/16-7 11/16	7⅝-7½	8-7¾	8⅝-8½
Can. Dollar	8⅞-8⅝	9-8¾	8⅞-8⅝	9¼-9	9¾-9½	10⅜-10⅛
D. Guilder	5 3/16-5 1/16	5¼-5⅛	5 5/16-5 3/16	5 7/16-5 5/16	5⅝-5½	5¾-5⅝
Sw. Franc	⅞-⅝	9½-9¼	3⅞-3⅝	3⅞-3⅝	4⅛-4⅞	4 7/16-4 5/16
Deutschmark	3⅝-3½	4-3¾	4 1/16-3 15/16	4⅛-4	4 5/16-4 3/16	4⅝-4⅝
Fr. Franc	7 9/16-7 7/16	7 9/16-7 7/16	7 13/16-7 11/16	8 1/16-7 15/16	8 11/16-8 9/16	9-8⅞
Italian Lire	12-10½	12-10½	12⅜-11½	12⅝-12⅛	13⅛-12⅝	13⅛-12⅝
B. Fr. (Fin.)	6⅞-6⅝	6 15/16-6 11/16	6⅞-6⅝	6⅞-6⅝	7-6⅞	7⅜-7⅛
B. Fr. (Con.)	6½-6	6⅜-5⅞	6½-6	6⅞-6⅜	7-6⅞	7⅜-7
Yen	3⅞-3⅝	5⅛-5	4⅛-4 1/16	4 5/16-4⅛	4 9/16-4½	4⅞-4 11/16
D. Krone	14-13½	10⅜-10¼	10⅛-9⅞	10-9½	10½-10	10⅞-10⅜
Asian $Sing.	7⅝-7½	7 11/16-7 9/16	7 13/16-7 11/16	7 15/16-7 13/16	8 5/16-7 15/16	8 9/16-8 7/16

Long-term Eurodollars: Two years 9¼-9 per cent; three years 9 5/16-9 3/16 per cent; four years 9¾-9½ per cent; five years 10-9¾ per cent nominal. Short-term rates are call for US Dollars and Japanese Yen; others, two days' notice.

EXCHANGE CROSS RATES

Sept. 23	£	$	DM	Yen	F Fr.	S Fr.	H Fl.	Lira	C $	B Fr.
£	1.	1.643	2.993	236.5	9.980	2.485	3.373	2161.	2.162	62.10
$	0.609	1.	1.821	143.9	6.075	1.512	2.052	1315.	1.316	37.80
DM	0.334	0.549	1.	79.03	3.335	0.830	1.127	722.0	0.722	20.75
YEN	4.228	6.947	12.65	1000.	42.20	10.51	14.26	9135.	9.142	262.6
F Fr.	1.002	1.646	2.998	237.0	10.	2.490	3.379	2165.	2.166	62.22
S Fr.	0.402	0.661	1.204	95.17	4.016	1.	1.357	869.4	0.870	24.99
H Fl.	0.297	0.487	0.887	70.13	2.959	0.737	1.	640.6	0.641	18.41
Lira	0.463	0.760	1.385	109.5	4.619	1.150	1.561	1000.	1.001	28.74
C $	0.463	0.760	1.384	109.4	4.616	1.149	1.560	999.3	1.	28.72
B Fr.	1.610	2.646	4.819	380.8	16.07	4.002	5.431	3479.	3.481	100.

Yen per 1,000: French Fr per 10: Lira per 1,000: Belgian Fr per 100.

FINANCIAL FUTURES

Gilts and sterling nervous

GILT FUTURES failed to hang on to early gains in the London International Financial Futures Exchange yesterday and finished weaker ahead of today's UK trade figures. Opening prices were marked up from Tuesday, following stronger finish in the US bond market but there was little interest ahead of the £800m gilt auction and prices tended to drift away later in the morning. Despite the total amount on offer being safely allotted, market sentiment seemed to be little changed and traders were uncertain about the level of retail interest.

Today's trade figures also managed to put a damper on prices so that the December contract finished at 115-25 down from 116-10 on Tuesday and below the day's high of 116-21 which was touched soon after the opening level of 116-18.

Three-month sterling deposits appeared to be less twitchy than the long gilt but there was still a good deal of nervousness ahead of today's trade figures. However, prices tended to stay within a narrow band also because the prospects of an early change in clearing bank base rates appeared to be remote.

The December three-month sterling price opened at 89.88 and traded between a high of 89.92 and a low of 89.84, before closing at 89.85, down from 89.87 on Tuesday.

US Treasury bonds finished up from Tuesday's close but below opening levels. A stronger tone in the US bond market on Tuesday helped to underpin a firmer opening in London but despite the low expectation of any surprises, there was a general reluctance to move ahead of this weekend's meeting of the IMF and G7 ministers.

The December price opened at 83-23, up from 82-26, and finished at 83-15.

LIFFE LONG GILT FUTURES OPTIONS

Strike Price	Calls—Last Dec	Calls—Last March	Puts—Last Dec	Puts—Last March
108	7.63	8.34	0.13	0.42
110	6.11	6.60	0.25	1.04
112	4.30	5.33	0.44	1.41
114	3.03	4.17	1.17	2.25
116	1.56	3.13	2.06	3.21
118	1.06	2.22	3.20	4.30
120	0.38	1.42	4.52	5.50
122	0.20	1.09	6.34	7.17

Estimated volume total, Calls 2,267 Puts 1,715
Previous day's open int: Calls 24,738 Puts 14,890

LIFFE US TREASURY BOND FUTURES OPTIONS

Strike Price	Calls—Last Dec	Calls—Last March	Puts—Last Dec	Puts—Last March
78	5.53	5.39	0.23	0.59
80	4.15	4.08	0.49	1.34
82	2.57	2.62	1.27	2.24
84	1.54	2.03	2.24	3.29
86	1.06	1.22	3.40	4.48
88	0.38	0.56	5.08	6.17
90	0.20	0.33	6.54	7.59
92	0.09	0.19	8.43	9.45

Estimated volume total, Calls 657 Puts 112
Previous day's open int: Calls 722 Puts 551

LIFFE FT-SE 100 INDEX FUTURES OPTIONS

Strike Price	Calls—Last Sept.	Calls—Last Oct.	Puts—Last Sept.	Puts—Last Oct.
22750	8.00	13.84	0.00	1.04
23000	5.50	11.81	0.00	1.51
23250	3.00	9.93	0.00	2.13
23500	0.50	8.22	0.00	2.92
23750	0.00	6.69	2.00	3.89
24000	0.00	5.35	4.50	5.05
24250	0.00	4.20	7.00	6.40
24500	0.00	3.23	9.50	7.93

Estimated volume total, Calls 11 Puts 12
Previous day's open int: Calls 562 Puts 348

LIFFE £/$ OPTIONS

[illegible]

LONDON SE £/$ OPTIONS

[illegible]

PHILADELPHIA SE £/$ OPTIONS

[illegible]

LIFFE-EURODOLLAR OPTIONS

[illegible]

LONDON

20-YEAR 12% NOTIONAL GILT

[illegible]

6% NOTIONAL LONG TERM JAPANESE GOVT BOND

[illegible]

THREE-MONTH STERLING

[illegible]

FT-SE 100 INDEX

[illegible]

THREE-MONTH EURODOLLAR

[illegible]

U.S. TREASURY BONDS 8%

[illegible]

CURRENCY FUTURES

[illegible]

CHICAGO

U.S. TREASURY BONDS (CBT) 8%

[illegible]

U.S. TREASURY BILLS (IMM)

[illegible]

SWISS FRANC (IMM)

[illegible]

JAPANESE YEN (IMM)

[illegible]

DEUTSCHE MARK (IMM)

[illegible]

THREE-MONTH EURODOLLAR (IMM)

[illegible]

STANDARD & POORS 500 INDEX

[illegible]

MONEY MARKETS

Little change

INTEREST RATES showed little overall change in London yesterday. Trading was subdued ahead of today's UK trade figures but with sterling steady and little prospect of an early change in clearing bank base rates, there was little incentive to move outside the recent trading range.

Three-month interbank money was unchanged at 10 1/16-9 15/16 per cent as was the six month rate at 10¼-10⅛ per cent. Overnight money opened at 10 per cent and moved up to 10½ per cent before slipping away to 7 per cent. Late balances commanded up to 10½ per cent.

UK clearing bank base lending rate 10 per cent since August 7

The Bank of England forecast a shortage of around £600m with factors affecting the market including the repayment of late assistance and bills maturing in official hands together with a take up of Treasury bills draining £25m and Exchequer transactions a further £475m. There was also a rise in the note circulation of £95m and banks brought forward balances £25m below target.

The Bank gave assistance in the morning of £53m through outright purchases of £20m of eligible bank bills in band 1 and £33m in band 2 all at 9⅞ per cent. In the afternoon the forecast was revised to a shortage of around £550m, before taking into account the morning help and further assistance was given in the afternoon of £463m through outright purchases of £38m of Treasury bills in band 1 and £406m of eligible bank bills, all at 9⅞ per cent and also £19m of eligible bank bills in band 2 at 9⅞ per cent. Late help came to £65m, making a total of £581m.

In Frankfurt the Bundesbank accepted bids of DM15.4bn at the latest sale and repurchase tender, at 3.65 per cent. Successful applicants received their allocations yesterday afternoon, coinciding with maturing agreements which drained DM14.4bn.

The rate of 3.65 per cent on this latest 28-day facility was up from the previous injection of funds which took place at a fixed 3.6 per cent. However the Bundesbank announced on Tuesday that the tender for liquidity wold be based on a minimum rate of 3.5 per cent. Since some DM37bn of applications were received the minimum accepted rate was far higher and roughly in line with the rate for overnight call money.

Bundesbank officials were quick to point out that the rise did not necessarily indicate a change in monetary policy and this tended to be underlined by the relatively comfortable money market conditions. Call money was quoted at 3.55-3.65 per cent compared with 3.6-3.7 per cent previously.

FT LONDON INTERBANK FIXING

(11.00 a.m. Sept.23) 3 months U.S. dollars	
bid 7⅝	offer 7⅝

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

[illegible]

LONDON MONEY RATES

[illegible]

WORLD MARKETS

FT-ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	WEDNESDAY SEPTEMBER 23 1987					TUESDAY SEPTEMBER 22 1987			DOLLAR INDEX		
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1987 High	1987 Low	Year ago (approx)
Australia (93)	176.84	−1.0	159.57	160.55	2.46	178.65	161.30	162.19	180.81	99.92	81.05
Austria (16)	100.95	−1.9	91.09	95.64	2.17	102.87	92.88	97.19	102.87	85.53	92.89
Belgium (48)	127.83	+0.3	115.35	119.64	3.97	127.40	115.03	118.91	134.89	96.19	89.29
Canada (129)	135.57	+0.8	122.33	129.33	2.31	134.53	121.47	128.35	141.78	100.00	98.32
Denmark (39)	118.02	−0.5	106.49	112.48	2.53	118.57	107.05	112.72	124.83	98.18	96.55
France (121)	114.16	+1.1	103.01	108.79	2.60	112.91	101.95	107.42	121.82	98.39	94.38
West Germany (92)	101.60	+0.8	91.68	96.19	1.97	100.75	90.97	95.36	104.93	84.00	92.82
Hong Kong (45)	149.69	+1.5	135.07	150.03	2.42	147.52	133.20	147.82	149.69	96.89	80.04
Ireland (14)	145.16	+0.8	130.99	139.05	3.23	144.07	130.08	137.67	145.49	99.50	84.98
Italy (76)	90.47	+1.9	81.63	88.84	2.06	88.78	80.16	87.19	112.11	84.22	100.07
Japan (458)	141.08	+0.2	127.30	128.28	0.53	140.78	127.11	128.28	161.28	100.00	97.05
Malaysia (36)	171.16	+1.9	154.45	166.45	2.21	168.00	151.69	163.18	193.64	98.29	89.91
Mexico (14)	375.54	−1.1	338.87	637.85	0.47	379.54	342.69	638.43	422.59	99.72	63.24
Netherland (37)	124.69	+2.9	112.52	116.78	3.85	121.22	109.45	113.31	131.41	99.65	97.05
New Zealand (24)	136.50	−0.9	123.18	112.24	2.65	137.69	124.32	113.51	138.99	83.93	72.09
Norway (24)	183.94	−0.3	165.98	166.33	1.65	184.49	166.57	166.52	185.01	100.00	103.42
Singapore (27)	160.43	−0.3	144.76	154.70	1.58	160.98	145.35	154.97	174.28	99.29	90.02
South Africa (61)	184.20	+0.5	166.22	133.13	3.15	183.34	165.54	132.51	198.09	100.00	106.97
Spain (43)	161.06	+0.1	145.34	148.43	2.67	160.84	145.22	148.23	165.92	100.00	92.80
Sweden (33)	131.16	+0.6	118.35	124.22	1.87	130.41	117.74	123.36	132.10	90.85	94.94
Switzerland (53)	108.57	+0.3	97.97	101.77	1.64	108.25	97.74	101.17	110.00	92.01	90.68
United Kingdom (333)	158.23	+0.8	142.78	142.78	3.16	157.04	141.80	141.80	162.87	99.65	93.56
USA (586)	131.05	+0.6	118.26	131.05	2.80	130.26	117.62	130.26	137.42	100.00	98.33
Europe (929)	128.83	+0.9	116.25	119.48	2.78	127.66	115.26	118.36	128.88	99.78	94.10
Pacific Basin (683)	142.68	+0.2	128.75	130.01	0.69	142.42	128.60	130.03	158.77	100.00	95.83
Euro—Pacific (1612)	137.19	+0.5	123.79	125.78	1.47	136.57	123.31	125.35	143.65	100.00	95.15
North America (715)	131.29	+0.6	118.47	130.98	2.78	130.49	117.82	130.18	137.55	100.00	98.33
Europe Ex. UK (596)	110.56	+1.1	99.76	104.94	2.44	109.39	98.78	103.72	111.97	98.02	94.45
Pacific Ex. Japan (225)	162.50	−0.2	146.64	151.79	2.41	162.75	146.95	152.02	163.57	99.92	80.52
World Ex. US (1816)	137.79	+0.5	124.34	126.29	1.52	137.16	123.84	125.84	143.38	100.00	95.33
World Ex. UK (2069)	132.88	+0.5	119.90	126.76	1.87	132.23	119.39	126.23	138.82	100.00	96.78
World Ex. So. Af. (2341)	134.82	+0.5	121.65	128.18	1.99	134.12	121.10	127.60	139.47	100.00	96.42
World Ex. Japan (1944)	132.33	+0.7	119.41	128.29	2.76	131.44	118.68	127.42	134.03	100.00	96.21
The World Index (2402)	135.13	+0.5	121.94	128.25	2.00	134.44	121.39	127.67	139.73	100.00	96.49

Base values: Dec 31, 1986 = 100

Japanese markets closed for public holiday September 23.
Corrected Indices for September 22 for Japan, Pacific Basin, World Ex.US, World Ex UK, World Ex So. Af. & The World Index.
Corrected $ Indices for September 21:
Japan 141.31, Pacific Basin 142.97, World Ex US 137.72, World Ex UK 131.12, World Ex So. Af 133.17, The World Index 133.40

EUROPEAN OPTIONS EXCHANGE

Series		Nov 87 Vol.	Nov 87 Last	Feb 88 Vol.	Feb 88 Last	May 88 Vol.	May 88 Last	Stock
GOLD P	$440	—	—	100	6.50	—	—	$462.20
GOLD P	$460	10	10.50	—	—	—	—	"
		Dec. 87		Mar. 88		June 88		
SILVER C	$750	6	74A	—	—	—	—	$765
SILVER C	$900	27	24	1	408	—	—	"
SILVER C	$1000	9	14	—	—	—	—	"
		Oct. 87		Nov. 87		Dec. 87		
$/Fl C	Fl.200	37	5.50	—	—	15	6.70A	Fl.205.07
$/FL C	Fl.205	68	1.90	112	2.60	5	3.20	"
$/FL C	Fl.210	—	—	110	1.40	29	1.90	"
$/FL C	Fl.215	—	—	—	—	9	0.80B	"
$/FL P	Fl.200	—	—	2	1.60	301	2.20	"
$/Fl. P	Fl.205	382	2.50	184	3	116	4.70	"
$/FL P	Fl.225	—	—	—	—	40	20.30B	"
		Mar 88		Jun 88		Sept 88		
$/Fl C	Fl.200	—	—	6	7.90	—	—	Fl.205.07
$/Fl C	Fl.205	—	—	—	—	5	6.90	"
$/Fl C	Fl.210	11	3.10	—	—	—	—	"
$/Fl C	Fl.215	20	1.70	12	3	—	—	"
$/Fl C	Fl.220	—	—	20	1.40	—	—	"
$/Fl P	Fl.195	—	—	—	—	100	6.20	"
$/Fl P	Fl.200	11	4.30	10	6.10B	30	7.70	"
$/Fl P	Fl.205	5	7.20	—	—	—	—	"
		Oct. 87		Jan. 88		Apr. 88		
ABN C	Fl.50	844	0.60	126	2.50	24	3.90	Fl.47.80
ABN P	Fl.48	224	1.10	95	2.50	—	—	"
AEGON C	Fl.90	45	2	20	5.20	—	—	Fl.88.10
AEGON P	Fl.90	30	3.80	88	5.30	—	—	"
AHOLD C	Fl.110	10	1.50	20	4.20	—	—	Fl.105.50
AHOLD P	Fl.105	60	2.50	55	5.80	—	—	"
AHOLD P	Fl.104.60	9	2	5	4.50	—	—	"
AKZO C	Fl.180	1823	4.90	690	11	33	15.50	Fl.178.40
AKZO P	Fl.170	394	1.70	599	5.70	3	8	"
AMEV C	Fl.65	83	0.60	87	2.60	17	3.50B	Fl.60
AMEV P	Fl.60	2	1.50	47	3.50	6	4.30	"
AMRO C	Fl.85	99	1.80	217	4.80	5	6.70	Fl.83.90
AMRO P	Fl.90	172	6.30B	10	7.50	14	8.50	"
ELSEVIER C	Fl.60	635	2.70	43	6.50	6	8.50	Fl.60.90
ELSEVIER P	Fl.60	18	1.50	42	3.40	9	5	"
GIST-BROC.C	Fl.50	3	0.80	155	3	5	3.80	Fl.48.30
GIST-BROC. P	Fl.50	64	2.50	66	3.60	—	—	"
HEINEKEN C	Fl.180	40	4	58	10.50A	—	—	Fl.177.30
HEINEKEN P	Fl.170	75	1.50	34	4	—	—	"
HOOGOVENS C	Fl.50	106	0.80	109	3.60	19	5.20	Fl.47.80
HOOGOVENS P	Fl.45	58	0.80	38	2.20	—	—	"
KLM C	Fl.55	388	1.10	148	3.40	24	5.40	Fl.52.80
KLM P	Fl.55	58	3	110	4.30	—	—	"
NEDLLOYD P	Fl.150	62	0.50	20	2.40	—	—	Fl.193.70
NAT.NED. C	Fl.75	278	1.20	198	4.20	32	6	Fl.73.40
NAT NED P	Fl.70	58	0.70	93	2.50	382	3.20	"
PHILIPS C	Fl.55	990	0.60	921	2.20	92	3.40	Fl.51.40
PHILIPS P	Fl.50	413	0.80	400	2.10	41	3.20B	"
ROYAL DUTCH C	Fl.270	1090	3.90	440	11	3	16.50B	Fl.263.40
ROYAL DUTCH P	Fl.260	680	3.80	251	8.80	20	10	"
ROBECO P	Fl.110	—	—	40	5.50	—	—	Fl.110.40
UNILEVER C	Fl.136	794	6.90	250	12.50	—	—	Fl.140.30
UNILEVER P	Fl.136	398	2.30	76	5.40A	—	—	"

TOTAL VOLUME IN CONTRACTS: 43,494

A=Ask B=Bid C=Call P=Put

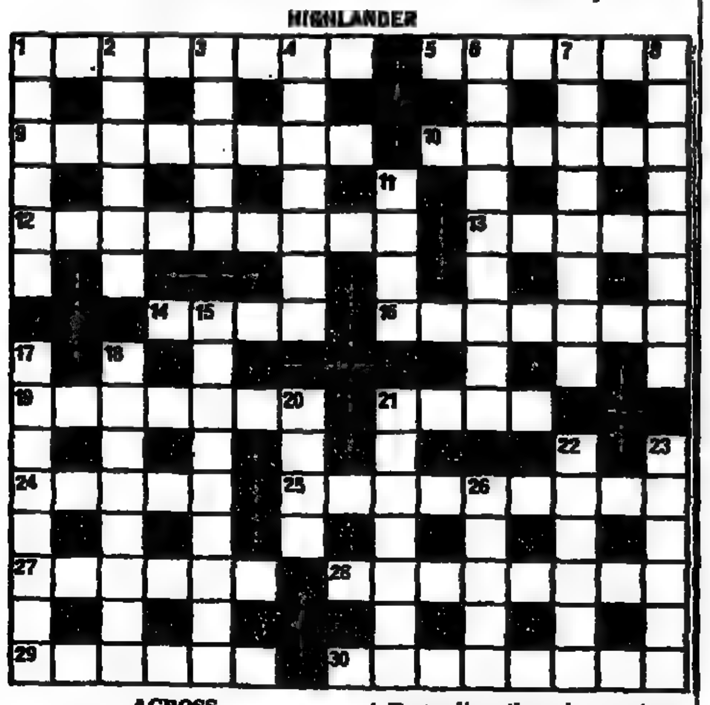
BASE LENDING RATES

	%		%		%
ABN Bank	10	● Charterhouse Bank	10	Nat Bk. of Kuwait	10
Adam & Company	10	Citibank NA	10	NatWestminster	10
Allied Arab Bk Ltd	10	City Merchants Bank	10	Northern Bank Ltd	10
Allied Dunbar & Co	10	Clydesdale Bank	10	Norwich Gen. Trust	10
Allied Irish Bank	10	Comm. Bk. N. East	10	PK Finans. Intl (UK)	10½
American Exp. Bk	10	Consolidated Cred.	10	Provincial Trust Ltd	11
Amro Bank	10	Co-operative Bank	★10	R. Raphael & Sons	10
Henry Ansbacher	10	Cyprus Popular Bk	10	Roxburghe G'antee	10½
ANZ Banking Group	10	Duncan Lawrie	10	Royal Bk of Scotland	10
Associates Cap Corp	10	Equatorial Tst C'p plc	10	Royal Trust Bank	10
Authority & Co Ltd	10	Exeter Trust Ltd	10½	Smith & Williams Secs	10
Banco de Bilbao	10	Financial & Gen. Sec.	10	Standard Chartered	10
Bank Hapoalim	10	First Nat. Fin. Corp	11	TSB	10
Bank Leumi (UK)	10	First Nat. Sec. Ltd	11	UDT Mortgage Exp.	¶11.1
Bank Credit & Comm	10	● Robert Fleming & Co	10	United Bk of Kuwait	10
Bank of Cyprus	10	Robert Fraser & Ptrs	11	United Mizrahi Bank	10
Bank of Ireland	10	Girobank	10	Unity Trust PLC	10
Bank of India	10	Grindlays Bank	10	Western Trust	10
Bank of Scotland	10	● Guinness Mahon	10	Westpac Bank Corp	10
Banque Belge Ltd	10	HFC Trust & Savings	10	Whiteaway Laidlaw	10½
Barclays Bank	10	● Hambros Bank	10	Yorkshire Bank	10
Benchmark Tst Ltd	10	Heritable & Gen. Tst	10		
Beneficial Trust Ltd	11	● Hill Samuel	§10		
Berliner Bank AG	10	C. Hoare & Co	10		
Brit. Bk of Mid East	10	Hongkong & Shangh	10		
● Brown Shipley	10	Lloyds Bank	10		
Business Mtge Tst	10	Meghraj & Sons Ltd	10		
CL Bank Nederland	10	Midland Bank	10		
Canada Permanent	10	● Morgan Grenfell	10		
Cayzer Ltd	10	Mount Credit Corp. Ltd	10		

● Members of the Accepting Houses Committee. ★ 7-day deposits 5%. Sureplus 7.66%. Top Tier—£2,500+ at 3 months' notice 9.33%. At call when £10,000+ remains deposited. ¶ Mortgage base rate. § Demand deposit 4.98%. Mortgage 11.325%.

FT CROSSWORD PUZZLE No. 6,438

HIGHLANDER



ACROSS

1 Collecting area for posters (8)
5 Overwhelmingly worsted is dispatched one particular way (6)
9 Act with good intentions and close pool (4, 4)
10 Project a very loud manner (6)
12 She finds seats at this point before race all in use (9)
13 Verse about old music-hall might employ 12 (5)
14 Fish for tea (4)
16 Call girl perhaps if loose change is adequate (7)
19 Italian leader embarrassed about being demoted (7)
21 Leave quietly, with cunning (4)
24 Hardback author (not English) (5)
25 NCO assimilates key material (9)
27 Not hit and run twice? I'm going (3-3)
28 Severe criticism because it's very hot (8)
29 Stay with military unit on border (6)
30 Leave on occasion without working full day (4-4)

DOWN

1 Gammon with stripes, boiled and eaten (6)
2 Away with the unknown: there's no interest (6)
3 Died a debtor but something left for widow (5)
4 Regarding the nipper: turn up by time specified (2, 5)
6 Rude health not too good? (3-6)
7 Cross art off—and poetry (8)
8 Delete angered, disturbed and unbalanced (8)
11 Thin sheet of metal, compound of iron and aluminium (4)
15 Description of writer Newton regarded as overworked (9)
17 Go over obstacle on his bicycle (8)
18 Cook less and dine in leisure (8)
20 Cut off from land (4)
21 Being a character (7)
22 For example turning up by car is one sign (6)
23 Disease produces painful extremities and shivering (6)
26 Start performing with band (5)

Solution to Puzzle No. 6,437

E	D	I	T	I	O	N	S		T	I	P	O	F	F
D		N		D		E				R		P		A
W	I	N	D	L	A	S	S		P	I	N	E	A	L
A		K		E		T		I		S		R		S
R	E	E	L	S		L	O	S	T	H	E	A	R	T
D		E				E		I		S				A
	S	P	A	C	E	S		S	E	T	S	O	F	F
U		E		A						E		V		F
P	A	R	A	P	E	T		H	O	W	L	E	R	
R				R		R		A				R		A
I	N	T	U	I	T	I	O	N		C	U	T	U	P
S		O		C		P		D		A		R		P
I	N	K	P	O	T		C	O	A	L	F	I	R	E
N		Y		R				U		V		C		A
G	R	O	U	N	D		S	T	R	E	A	K	E	R

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

	Bid Price	Offer Price	+ or −	Yield Gross
CS Fund Managers Limited				
125 High Holborn, London WC1V 6PY 01-242 1148				
CS America Fd	59.2	63.0	+1.3	0.61
CS International Fund	60.5	64.5	+0.6	1.78
CS Japan Fund	101.9	108.4	+0.1	0.46
CS Portfolio Inv. Fd.	94.2	100.2	+0.2	2.80
Canada Life Unit Trust Mngrs. Ltd				
2-6 High St, Potters Bar, Herts 0707 51122				
Can Gen Dist	162.0	170.0	+1.1	1.92
Do. Gen Accum	260.6	274.3	+2.7	1.92
Do. Income Dist.	109.2	115.0	+1.2	3.84
Do. Inc. Accum.	231.6	243.8	+2.5	3.84
Gilt & Fxd. Int. Trust	37.3	39.3	−0.1	—

FT UNIT TRUST INFORMATION SERVICE

Mercury Fund Managers Ltd (c)
33 King William St, EC4R 9AS 01-280 2060

American Growth	110.3	116.7	+0.5	1.00
(Accum Units)	115.5	122.2	+0.6	1.00
American Income	51.1	54.9	+0.6	3.66
(Accum Units)	53.6	58.0	+0.0	3.66
American Sm Cos Fd	49.9	52.8	+0.2	0.46
(Accum Units)	49.9	52.8	+0.2	0.46
British Blue Chip Fund	53.3	55.3	+0.5	2.29
(Accum Units)	54.1	57.5	+0.5	2.29
European Growth	161.5	170.9	+0.1	0.40
(Accum Units)	168.6	178.4	+0.1	0.40
European Income	85.6	90.9	-0.4	3.29
(Accum Units)	89.9	95.1	-0.4	3.29
Exempt	581.4	596.3	+18.9	2.97
(Accum Units)	58.9	59.1	-0.3	6.43
General	392.2	413.9	+3.2	1.50
(Accum Units)	469.8	491.8	+0.7	1.50
Gilt	87.9	89.3	+0.1	7.45
(Accum Units)	104.5	105.0	+0.1	7.45
Global Fund	53.2	56.2	+0.3	0.65
(Accum Units)	53.2	56.3	+0.3	0.65
High Income Fund	55.2	58.4	+0.5	4.48
(Accum Units)	56.1	59.3	+0.5	4.48
High Interest Fund	44.7	47.2	+0.1	9.54
(Accum Units)	46.0	48.6	+0.0	9.54
Income	138.8	158.4	+1.9	2.85
(Accum Units)	151.1	159.8	+1.7	2.85
International	306.4	324.2	+2.8	1.56
(Accum Units)	383.3	405.4	+3.4	1.56
Japan	204.8	216.7	-0.7	0.67
(Accum Units)	210.3	222.5	-0.7	0.67
Pacific Fund	62.0	65.6	+0.7	0.30
(Accum Units)	62.0	65.6	+0.7	0.30
Recovery	330.9	350.1	+2.9	1.91
(Accum Units)	339.8	360.7	+2.3	1.91
UK Smaller Co's Fund	57.1	60.4	+0.2	1.63
(Accum Units)	57.6	60.9	+0.1	1.63

Merlin Fund Mngmnt Ltd
30 St James St, London SW1A 1HB 01-925 1277

Merlin Sept 23	633.5	641.5	+9.0	1.06

Metropolitan Unit Trust Mngrs Ltd
3 Darkes Lane, Potters Bar EN6 1AJ. 0707 45184

UK Income Fund	66.0	70.2	+0.4	4.27
Accum Units	66.7	70.9	+0.3	4.25
UK Growth Fund Acc	65.4	69.5	+0.4	1.44
Global Income Fund	50.9	54.1	+0.5	3.70
Accum Units	50.9	54.1	+0.5	3.70
Global Growth Fund	51.1	54.3	+0.8	0.46

Midland Bank Group UT Mngrs. Ltd
Courtwood House, Silver St, Head, Sheffield S1 3RD
Tel: 0742 769842

Capital	132.8	140.8	+0.9	1.09
(Accum Units)	183.4	194.6	+1.3	1.09
Commodity & Gen.	206.1	218.3	+1.4	1.23

Provident Mutual Unit Trust Managers Ltd.
25-31 Moorgate, London, EC2R 6BA. 01-588 3963

PM Equity Growth	123.8	131.8	+2.1	0.87
PM Income and Growth	107.2	114.1	+1	2.90
PM N American Growth	58.0	61.4	+1.7	0.34
PM European Growth	52.8	56.1	-0.1	0.55
PM Japan Growth	69.5	73.8	+0.5	0.36
PM Overseas Growth	56.7	60.3	+1	0.42

Prudential Holborn Unit Trusts Ltd(a) (b) (c)
51-69 Ilford Hill, Ilford, Essex IG1 2DL 01-478 3377
Holborn LinkLine 0800 010395

Holborn Comm Tst.	84.6	89.5	+0.6	0.34
Holborn Equity Income	75.7	80.1	+0.7	3.21
Holborn Equity Tst.	434.7	459.9	+3.4	2.08
Holborn European Tst.	125.5	132.9	+0.6	.43
Holborn Gilt Tst.	220.5	229.5	+0.4	2.17
Holborn High Inc Tst.	91.9	97.6	+0.5	4.47
Holborn Intl Grth Tst.	125.7	133.0	+1.3	0.44
Holborn Intl Sm Cos	—	50.0	—	0.05
Holborn Japanese Tst.	135.5	143.3	+0.4	0.40
Holborn N. Amer. Tst.	96.8	102.4	+2.5	0.47
Holborn Sm Cos Tst.	82.9	87.7	+0.3	1.38
Holborn Spec Sits Tst.	110.1	116.5	+0.5	1.25
Holborn UK Growth Tst.	122.5	129.4	+1.1	1.44

Quilter Management Co Ltd
31-45 Gresham Street, London EC2 01-600 4177

Quadrant Gen. Fd.	684.1	724.0	—	1.35
Quadrant Income	342.7	362.7	—	3.68
Quadrant Intl. Fund	454.9	481.4	—	1.04
Quadrant Spec. Sits.	487.2	514.8	—	1.28

Reliance Unit Mgrs. Ltd
Reliance House, Tunbridge Wells, Kent. 0892 510033

British Life	253.9	270.0	+0.8	2.25
Reliance Unit Tst (Inc)	177.4	188.6	+1.6	1.40
Reliance Uk Tst (Acc)	238.7	253.8	+2.3	1.40

Rossborn Fund Managers
30 Exchange St., Tithebarn St., Liverpool. 051-227 2090

Internat. Growth Trust	51.3	54.8	+0.7	1.49

N.M. Rothschild Fund Mgmt
St Swithin's Lane, London EC4 01-634 2901/4

NC America (Inc)	323.9	348.9	(z)	0.68
NC America (Acc)	357.3	380.1	(z)	0.68
NC Inc Fd.	129.7	137.9	(z)	2.92
NC Japan Fd.	214.3	228.0	(z)	0.00
NC Major UK Cos Fd.	73.0	77.6	(z)	1.75
NC Smlr Australasian	96.7	102.8	(z)	.43
NC Smlr Canadian CoFd.	50.7	53.9	(z)	1.06
NC Smaller Cos	257.0	273.3	(z)	0.76
NC Smaller European	207.9	221.1	(z)	0.61
NC Prop.*	157.2	171.0	(z)	6.2

*Unauthorised Unit Trust

INSURANCES

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Manufacturers Life Insurance—Contd.

Gilt-Edged Inc.	226.5			—
Do. Accum	279.2			—
Guaranteed Inc.	159.0			—
Do. Accum	195.9			—
International Inc.	499.6			—
Do. Accum	615.2			—
Index Lk. Gilt Inc.	135.7			—
Do. Accum	167.2			—

Merchant Investors Assurance
Leon House, 233 High St, Croydon 01-686 9171

Property		315.5	+0.2	—
Property Pens.		424.4	+0.3	—
Equity		202.8	+0.8	—
Equity Pens.		926.4	+4.7	—
Money Market		301.1	+1.4	—
Money Mkt. Pens.		542.5	+2.5	—
Deposit		239.4	+0.0	—
Deposit Pens.		383.3	+0.1	—
Managed		303.1	+0.4	—
Managed Pens.		509.3	+0.6	—
Intl. Equity		360.4	+1.5	—
Do. Pens.		580.5	+2.9	—
Intl. Managed		329.2	+0.5	—
Do. Pens.		493.1	+0.8	—
North American		133.5	+2.1	—
Do. Pens.		153.8	+3.6	—
Far East		296.4	+0.9	—
Do. Pens.		437.6	+1.6	—
Intnl Currency		169.3	+0.3	—
Do. Pens.		218.5	+0.5	—
Index Linked		128.6	-1.4	—
S & C Managed Fd		140.5	-0.1	—
S & C Pens Magd Fd		114.7	-0.2	—
Bell Chambers		129.0	+0.0	—
Loran & Loran		117.5	-1.3	—
Trustlink Life Funds				
Per Worldwide Rec.		171.5	-0.1	—
Per Far East Growth		223.9	+0.6	—
Per Intl Growth		165.0	+0.1	—
Per Income		179.3	-0.3	—
Per Emerging Co's		164.8	-0.1	—
Per American Growth		149.7	+2.2	—
Per European Growth		137.9	-0.1	—
Fra American & Gen		124.5	-0.6	—
Fra Capital		182.8	+0.4	—
Fra Income		192.8	-0.4	—
Fra Intl Growth		136.6	-0.7	—
Fra Japan & Gen		182.9	-0.2	—
Fra Recovery		200.0	-0.3	—
Fra Convertible & Gilt		145.8	+0.2	—
Fra European		138.3	-0.4	—
GAR American		123.7	+1.8	—
GAR European		164.9	-0.3	—
GAR Far Eastern		194.0	-1.4	—
GAR British		188.1	+0.2	—
GAR Global		174.3	+0.2	—
GAR Special Situations		206.7	-0.9	—
GAR Smaller Co's		228.1	-0.9	—
GAR Australian		179.1	-3.7	—
HEN Managed		181.4	-0.2	—
HEN UK Growth		191.7	+0.1	—
HEN UK Income		191.0	-0.3	—
HEN American		123.7	-0.5	—
HEN Far East		192.5	-0.3	—
HEN European		180.4	+0.0	—
HEN Prime Res Prop		104.1	+0.1	—
TSB American		137.3	-0.8	—
TSB General		187.3	-0.1	—
TSB Managed		165.9	-0.3	—
TSB Pacific		193.8	+0.4	—
TSB Selected Opps		190.7	-0.4	—
FID American		113.9	+2.2	—
FID Japan		122.1	-0.1	—
FID European		151.4	+1.0	—
FID UK		155.9	+0.2	—
FID Pacific		156.9	+0.4	—
FID Intl Managed		143.1	+1.0	—
FID Int. Income		125.2	+0.5	—
FID Intl Spec Sits		161.8	+0.3	—

Municipal Life Assurance Ltd
1 Sessions Hse Sq, Maidstone ME14 1XX 0622 690595

Initial Equity	165.0	174.0	-0.5	—
Initial Managed	151.5	160.0	-0.5	—
Initial International	152.5	161.0	-0.5	—
Initial Property	97.0	102.5	—	—
Initial Mixed	108.0	114.0	—	—
Initial European	123.0	130.0	-1	—
Initial Five Star	134.5	142.5	-0.5	—
Initial American	112.5	119.0	-1.5	—
Initial World Invest	112.5	119.0	—	—
Initial Emerg. Mkts.	121.5	128.5	+0.5	—
Accum. Equity	206.5	218.0	—	—
Accum. Managed	192.0	203.0	—	—
Accum. Intl.	178.0	188.0	-1	—
Accum. Property	109.0	115.5	[illegible]	—

Norwich Union Asset Management Ltd
PO Box 124, Norwich NR1 1JS 0603 683906

NUAM Funds				
Managed Fund	58.2	61.3	+0.4	—
Stock Market Magd Fund	60.1	63.3	+0.5	—
Equity Fund	65.4	68.9	+0.6	—
International Fund	56.0	59.0	+0.7	—
European Fund	60.1	63.3	+0.4	—
North American Fund	51.0	53.7	+0.7	—
Pacific Fund	64.3	67.7	+0.2	—
Property Fund	52.2	55.0	—	—
Fixed Interest Fund	48.7	51.3	—	—
Index linked Sec Fund	45.5	47.9	-0.1	—
Deposit Fund	51.5	54.3	—	—
NUAM Retirement Plans				
Managed Fund	62.4	65.7	+0.2	—
UK Ordinary Share	75.3	79.3	+0.3	—
International Fund	57.3	60.4	+0.4	—
Property Fund	52.2	55.0	—	—
Fixed Interest Fund	50.6	53.3	-0.2	—
Index Linked Sec Fund	45.9	48.4	-0.3	—
Deposit Fund	53.5	56.4	+0.1	—
NUAM (NEF)				
Managed Fund	801.2	843.4	+6.5	—
Equity Fund	1751.6	1843.8	+17.8	—
Property Fund	325.0	342.2	—	—
Fixed Interest Fund	358.6	377.5	-0.5	—
Deposit Fund	210.3	221.4	—	—
International Fund	145.3	153.0	-1.8	—
Index Linked Sec Fund	45.5	47.9	-0.1	—

Norwich Union Life Insurance Soc.
PO Box 4, Norwich NR1 3NG 0603 622200

Pensionmaster* & Unit-Linked Plan*				
Fixed Interest Fund	253.1	266.4	+5.4	—
Index-Linked Sec Fund	130.1	136.9	+0.4	—
Ordinary Share Fund	547.0	575.7	+13.3	—
International Fund	147.1	154.8	-1.0	—
Property Fund	162.9	171.4	+0.1	—
Deposit Fund	167.6	176.4	+0.2	—
Mixed Fund	347.4	365.6	+4.6	—
Norwich Units Sep 15		1018.4		—

*Prices as at June 30.

Pearl Assurance (Unit Funds) Ltd
252 High Holborn, London WC1V 7EB 01-405 8441

Prop. Dist. (Gross)(z)	156.6	164.9	—	—
Prop. Acc. (Gross) (z)	245.7	258.7	—	—
Equity (Gross) (z)	787.4	828.9	-5.2	—
Managed (Gross) (z)	526.7	554.5	-3.0	—
Prop. Acc. (Net) (z)	113.3	119.3	+0.1	—
Equity (Net) (z)	171.4	180.5	—	—
Managed (Net) (z)	154.0	162.2	—	—
Internat'nal (net) (z)	147.2	155.0	+0.6	—
Gilt & Fxd Interest	92.8	97.7	-0.8	—
Money Fund	96.0	101.1	—	—
Pearl Assurance (Unit Linked Pens) Ltd				
Ret Man (Series 1) (z)	501.0	527.4	-1.8	—
Ret Man (Series 2) (z)	169.9	178.9	-0.6	—
Ret Cash (z)	115.3	121.9	—	—

Phoenix Assurance Co Ltd
Phoenix House, Redcliff Hill, Bristol 0272 294941

Life Assurance Funds				
Wealth Assur.	441.6	464.9	—	—
Eb'r Ph Eq.	425.6	450.9	—	—
Pension Plan Funds				
Phoenix				
UK Equity Acc.	210.1	221.1	+2.1	—
International Acc.	167.4	176.2	+0.7	—
Property Acc.	114.8	120.8	—	—
Fixed Interest Acc.	142.1	149.5	—	—
Money Acc.	124.9	131.4	—	—
Bldg. Soc. Link Acc.	128.7	135.4	+0.1	—
Special Mngd. Acc.Q	176.2	185.4	+1.8	—
Phoenix/Framlington				
Intnl. Growth Acc.	115.3	121.5	-1.0	—
Amer. & Gen. Acc.	110.4	116.2	-0.4	—
Capital Tst. Acc.	226.7	238.6	+0.6	—
Japan & Gen Acc.	193.1	203.2	-0.3	—
American Turn. Acc.	107.9	113.5	-1.0	—
Recovery Tst. Acc.	222.9	234.6	-0.7	—
Special Mngd Acc.	171.7	180.7	-0.4	—
Phoenix/GT				
International Acc.	165.8	174.5	-0.9	—
US & General Acc.	115.3	121.3	-3.2	—
Amer Spec Sits Acc.	83.0	87.3	-0.7	—
Japan & General Acc.	180.4	189.8	—	—
Far East & Gen. Acc.	187.4	197.2	-0.1	—
UK Capital Acc.	208.2	219.1	-0.7	—
European Acc.	192.0	202.1	+0.5	—
Special Mngd. Acc.	162.4	170.9	-1.0	—

Pioneer Mutual Insurance Co Ltd
16 Crosby Rd, N. Waterloo, Liverpool 051-928 6655

OFFSHORE AND OVERSEAS

MANAGEMENT SERVICES

FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Stock	Yield Int.	Yield Red.
Treas. 12pc 1987	11.99	9.93
Treas 7¾pc 1985-88‡‡	7.80	9.34
Exch 10½pc '88	10.49	10.20
Treas 9¾pc Cv '88	9.78	10.17
Transport 3pc '78-88	3.10	7.27
Treas. 9½pc '88	9.56	10.12
Treas 11½pc 1989	11.51	10.12
Treas 9½pc Cnv 1989	9.58	10.08
Treas 3pc 1989	3.21	7.26
Treas 10½pc 1989	10.45	10.14
Exch 10pc 1989	10.03	10.16
Exch 11pc 1989	10.84	10.15
Treas 5pc 1986-89	5.35	8.53
Exch 10¼pcCv '89	10.16	9.74
Treas 13pc 1990‡‡	12.26	9.97
Exch 11pc 1990‡‡	10.80	10.05
Exch. 12¼pc 1990	11.80	10.09
Treas. 3pc 1990	3.57	7.01
Treas 8¼pc 1987-90‡‡	8.57	9.80
Treas. 10pcCv 1990	10.09	10.10
Exch 2½pc 1990	2.88	7.25
Treas 11¾pc 1991	11.25	10.10
Funding 5¾pc '87-91‡‡	6.38	9.08
Treas. 3pc 1991	3.52	7.77
Treas 10pc Cv '91 ‡‡	9.82	9.72
Exch. 11pc 1991	10.66	10.03
Treas. 8pc 1991		
Treas 12¾pc 1992‡‡	8.59	10.04
Treas 10pc 1992	11.69	10.67
Treas. 8pc 1992 ‡‡	8.70	10.25
Treas 10½pc Cv 1992‡‡	10.35	10.88
Treas. 3pc 1992	3.74	8.03
Exch. 12¼pc '92	11.69	10.07
Exch 13½pc 1992	11.96	10.15

Five to Fifteen Years

Over Fifteen Years

Undated

BRITISH FUNDS—Contd

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

Continued on next page

Money Market Bank Accounts

Money Market Trust Funds

UNIT TRUST NOTES

LONDON SHARE SERVICE

AMERICANS—Continued

1987 High	Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
34⅞	25⅞	Tenneco $5	34⅛	+⅛	$3.04	—	5.5
202½	149½	Do. 10pcLn.Stk. 91-5	202½	....	10%	—	5.0
29⅝	17	Texaco $6.25	24¼	+¼	$3.00	—	7.4
74	47⅞	Time Inc. $1	64½	+1¼	$1.00	—	1.0
19⅝	11	Tracor $0.33	19	+⅛	40c	—	1.3
30¼	18⅞	Transamerica $1	25¼	+1¼	$1.76	—	4.2
14⅛	922p	Transworld Corp $5	12	....	20c	—	1.0
25⅛	14⅞	TRINOVA Corp.	24½	–⅛	$1.00		2.5
24	15	USX $1	22⅛	+⅞	$1.20	—	3.3
19¼	15	Union Carbide $1	17	+⅞	$1.50	—	5.4
37⅞	26⅞	Utd. Technologies	33⅛	+¼	$1.40	—	2.5
38⅝	27	US West	35⅝	+1⅞	$3.28	—	5.7
30½	17⅛	Waste Management $1	28¼	+⅞	—	—	—
£31⅛	£20½	Whirpool $1.0	£27⅞	+⅛	—	—	—
37⅛	26	Woolworth $3½	29⅞	+⅛	$1.32	—	2.7

CANADIANS

[illegible]

BANKS, HP & LEASING

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BUILDING, TIMBER, ROADS

[illegible]

BUILDING, TIMBER, ROADS—Cont

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Cont.

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LONDON SHARE SERVICE

INSURANCES—Continued

1987 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
412	305	PWS Holdings 10p	348	.....	a10.5	2.9	4.2	12.7
474	316	Pearl Group 5p	470xd	+15	†10.5	—	3.1	—
305	93	Sphere Ins. Inst.	101	−2	—	—	—	—
345	274	Sedgwick Group 10p	287xd	+3	12.0	1.7	5.7	12.3
339	207	Steel Burrill J. 10p	295xd	−3	19.0	2.0	5.2	13.1
668	403	Stewart Wr. 20p	535	.....	‡13.0	2.0	3.3	19.0
612	377	Stenge Hldgs 20p	528	.....	†6.0	2.5	1.6	34.0
385	295	Trade Indemnity	380	−5	14.5	—	1.6	—
728	535	Wind Friendly B 10p	728	.....	21.0	—	4.0	—
464	348	Willis Faber 12½p	353	.....	†10.75	2.4	4.2	13.3
128	41	Windsor Secs. 10p	128	.....	†0.7	1.5	0.8	—

LEISURE

1987 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
35½	11½	A & M Group 10p	25½	−½	—	—	—	◆
242	181	Airtours 10p	195	−5	R5.4	2.5	3.9	14.2
549	302	Anglia TV	488	.....	†p11.25	3.3	3.2	13.5
191	108	Aspinall Hldgs. 10p	175	−½	‡6.0	1.2	4.7	24.0
141	63	Avesco 1p	110	+2	0.5	6.7	0.6	33.1
65	40	BCE Hldgs 5p	58½	.....	L0.0	◆	2.7	◆
300	132	Barr & W.A.T. 'A'	295xd	.....	10.0	1.4	3.7	24.0
58	39	Bond Media	47	.....	—	—	—	—
236	165	Boosey & Hawkes	230	.....	—	—	—	—
88	45	Border T.V.	58xd	.....	1.4	◆	3.3	◆
409	43½	Brent Walker 10p	361	+4	9.5	2.2	3.8	17.4
122	102	Do.6pc.Cv.Cu.Red.Pf	106	.....	6.0	—	7.8	—

MOTORS

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PAPER, PRINTING—Continued

PROPERTY

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TEXTILES—Cont.

TOBACCOS

TRUSTS, FINANCE, LAND

FINANCE, LAND—Cont.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

MINES

MINES—Continued

THIRD MARKET

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 27 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ◆ Figures or report awaited.
- ◆ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ◆ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ¶¶ Dealt in under Rule 535(3).
- ◆ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ◆ Merger bid or reorganisation in progress.
- ◆ Not comparable.
- ◆ Same interim: reduced final and/or reduced earnings indicated.
- ◆ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ◆◆ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Annualised dividend. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1986-87. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1986. K Dividend and yield based on prospectus or other official estimates for 1987-88. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1987. P Figures based on prospectus or other official estimates for 1987. Q Gross. R Forecast annualised dividend, cover and p/e based on prospectus or other official estimates. T Figures assumed. W Pro forma figures. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	98	.....	Fin. 13% 97/02	£106¾	.....
Craig & Rose £1	738	.....	Arnotts	375	.....
Finlay Pkg. 5p	111	+1	CPI Hldgs	85xd	.....
Holt (Jos) 25p	£16½	.....	Carroll Inds.	190	+4
Lold Stn. £1	273	−20	Dublin Gas	40#	.....
			Hall (R. & H.)	140xd	+4
IRISH			Heiton Hldgs.	64	+2
Fund 11¼% 1988	£100½	.....	Irish Ropes	210	.....
Nat. 9¾% 84/89	£98½	.....	Unidare	420	.....

TRADITIONAL OPTIONS

3-month call rates

Industrials	p		
Allied-Lyons	40	NEI	13
Amstrad	19	Nat West Bk	65
BAT	62	P & O Dfd	65
BOC Grp	50	Plessey	20
BSR	17	Polly Peck	34
BTR	36	Racal Elect.	32
Babcock	32	RHM	35
Barclays	52	Rank Org Ord	70
Beecham	52	Reed Intnl	50
Blue Circle	50	STC	30
Boots	30	Sears	16
Bowaters	50	TI	37
Brit Aerospace	50	TSB	12
Brit. Telecom	28	Tesco	18
Burton Ord	32	Thorn EMI	65
Cadburys	25	Trust Houses	25
Charter Cons.	45	Turner Newall	26
Comm Union	34	Unilever	62
Courtaulds	45	Vickers	20
FNFC	32	Wellcome	42
Gen Accident	95	**Property**	
GEC	22	Brit Land	30
Glaxo	200	Land Securities	50
Grand Met	50	MEPC	48
GUS 'A'	125	Peachey	40
Guardian	95	**Oils**	
GKN	38	Brit Petroleum	32
Hanson Tst.	17	Britoil	30
Hawker Sidd	58	Burmah Oil	52
ICI	125	Charterhall	10
Jaguar	52	Premier	11
Ladbroke	45	Shell	125
Legal & Gen	32	Tricentrol	11
Lex Service	45	Ultramar	26
Lloyds Bank	35	**Mines**	
Lucas Inds	75	Cons Gold	125
Marks & Spencer	22	Lonrho	28
Midland Bk	45	Rio T Zinc	100
Morgan Grenfell	55		

A selection of Options traded is given on the London Stock Exchange Report Page.

LONDON STOCK EXCHANGE

Account Dealing Dates			
Option			
*First Dealings	Declarations	Last Dealings	Account Day
Sept 14	Sept 24	Sept 25	Oct 5
Sept 28	Oct 8	Oct 9	Oct 19
Oct 12	Oct 22	Oct 23	Nov 2

* New time dealings may take place from 9.00 am two business days earlier.

Equity rise continues but Gilt-edged stocks suffer from long bond auction

Another surge of confidence drove the UK equity market higher still yesterday, extending the rising sequence to ten sessions in a row. The advance was hardly surprising with Wall Street roaring back from recent weakness and the Dow Jones average recording one of the largest daily rises ever. London failed to equal this performance, but the closing gain of 16.2 in the FT-SE 100 share index to 2352.4 brought a two-week run of over 103 points.

Private investors were given the credit for the latest performance. They chose not to heed warnings from some broking houses of the current rise being too rapid, and entered into new commitments. Technology and energy stocks, leaders of the US upsurge overnight, were high on buying lists and these sectors enjoyed most of the activity.

A sharp opening mark-up by marketmakers failed to quell enthusiasm and, although business faded during the afternoon, it revived later when the New York market early yesterday continued the recovery: London reports suggested further futures-related buy programmes were imminent. News of fresh UK fund-raising, via rights issues and share placings, dampened institutional buying interest, and overseas support was also said to be slow. The Jewish holidays could inhibit both attendance and interest over today and tomorrow.

The experimental long bond auction went well from the authorities point of view, the £800m issue of Treasury 9 per cent 2008 being covered 1¼ times. Over-zealous bids, however, meant many houses getting stock at higher prices than they really wanted, and in the words of a leading dealer "the market was caught offside."

A period of frantic activity followed details of the auction with traders reducing book commitments, feeling that the market could suffer repercussions from this overbought situation. Enforced sales of the new stock, for which the highest accepted bid was 95.40 fully-paid, lowered the price to 54.01, or 94.01 in fully-paid form.

A slightly easier early tone in US bonds following the US economic data added to the London market's uncertainty. But small retail interest coupled with book-squaring ahead of this morning's trade figures finally lifted quotations off the lowest levels. The longs finally settled ½ down on balance with the new stock at 54.10.

Saatchi and Saatchi were a volatile market as some 2.1m shares changed hands. Up to 600p at one stage as the group announced its intention to apply for a "big board" listing in New York, Saatchi shares quickly gave ground as sentiment, recently unsettled by talk of imminent expansion into the financial services field—Royal Bank of Scotland were the latest to be mentioned in this context—was further affected by news of the departure of Mr Anthony Simonds-Gooding.

Mr Simonds-Gooding, head of Saatchi's Communications division is leaving to become chief executive of British Satellite Broadcasting. According to Andrew Mills at County Natwest, the departure "comes at a very bad time for a group which is already presenting a confused strategic picture."

The banking sector continued to make strong progress with Midland again well to the fore on talk that Hanson Trust has increased its stake in the bank to almost 10 per cent; other possible bidders for the bank were said to include Hongkong and Shanghai, and numerous Continental banks. Midland shares added 3 more to 563p, after 560p, while Lloyds, also the subject of bid speculation, rose 9 to 384p. NatWest Bank jumped 13 more to 756p stimulated further by the recent proposed issue of 15m new shares to Japanese investors. The strength of NatWest was also attributed to stories that a major UK securities house has recommended a switch from Barclays to NatWest; the former's shares eased a couple of shares to 613p.

Bank of Scotland jumped 25 to 595p, after 600p, following interim results said by analysts to be well in excess of market forecasts. Royal Bank of Scotland shares spurted 22 to 412p on a newspaper suggesting that the company could become a bid target for the Saatchi brothers.

Merchant banks also mirrored the possibility of a bid from the same concern. Kleinwort Benson, a weak market recently after the £143m rights issues and profits decline, raced up 18 more to 572p amid revived bid speculation. Other merchant banks also benefited with S. G. Warburg finally up 6 at 480p and Morgans 3 firmer at 543p.

Takeover rumours surrounded First National Finance which jumped 15 to 314p. Insurances, boosted recently by talk of further bids, showed Pearl up 18 at 473p, and Prudential ½ up at £10½.

The Building sector remained a relative backwater, leading issues showing little alteration. Barratt Developments revealed preliminary profits much in line with market estimates and the price, having touched 232p on the announcement, eased back on profit-taking to close a penny lower on balance at 228p. RMC lacked support ahead of today's interim figures and closed 9 down at 482p, but BPB Industries picked up 7 to 345p owing to the presence of a sizeable buying order. Tarmac rallied 4 to 299p. Elsewhere, Higgs and Hill moved up 13 to 403p on property development hopes, a two-day rise of 48. Heywood Williams shed 6 to 359p on the £29.3m rights issue proposal; the money raised is earmarked for expansion. Trading statements, although good, failed to influence the share prices of Attwoods and Polypipe, both of which closed virtually unchanged at 375p and 425p respectively. Tilbury Group's half-year figures also failed to make any impression, the price closing unaltered at 323p.

ICI continued to trade firmly in the wake of its latest Stauffer disposal to Rhone-Poulenc and the close was ⅛ dearer at £16⅛. Laporte, boosted by publicity given to a number of brokers' recommendations, gained 21 to 584p, while Yule Catto edged up 3 to 623p after comment on the half-year figures. Allied Colloids picked up 6 at 161p and Foseco firmed 3 to 316p.

A rather uninspiring showing by high street Retailers was rescued to a certain extent by jewellery chain Ratners which advanced 25 to 4044p on further reflection of the group's potential in the wake of the interim figures and further expansion in the US. Wood Mackenzie, the group's brokers, stated that "the underlying rate of progress remains exhilerating" and anticipate pre-tax profits of £51m for the full-year to end-January 1988. The view was backed up by Scrimgeour Vickers which regards Ratners as "one of the more interesting stocks in the sector" and forecasts profits for the period of £52.5m.

A number of firm spots were evident among secondary Stores. First-half trading statements lifted Hampden Homecare 5 to 120p, and Tibbet and Britten 9 to 262p. Occasional demand proved sufficient to lift Tie Rack 10 to 149p, and Sock Shop 20 to 255p.

The success of Cable & Wireless, the telecommunications markets group, in breaking into the Japanese telecommunications industry, coming hard on the heels of the recent proposed restructuring of C & W's 80 per cent-owned Hong Kong Telephone and C & W (Hong Kong), coupled with news that Mr Li Ka-Shing had built up a near 5 per cent stake, lifted Cable & Wireless shares a further 8 to 485p. British Telecom, on the other hand, slipped to 259p on the latest public criticism before picking up to close a net 3 higher at 263p. Amstrad featured with a 9 jump at 184p in the wake of the launch of the new PCW 9512 computer, while the Ministry of Defence £70m contract boosted Thorn EMI 4 to 696p. GEC jumped 4½ to 217½, Plessey rose 5 to 215p and Racal leapt 9 to 314p. Ccantronic continued to reflect the recent profits upgrading and jumped 13 to 205p.

News that overseas investors were holding some 1.6 per cent above the Government's prescribed 15 per cent holding, failed to disturb Rolls-Royce which eased a shade to 200½p. Vickers, ahead of today's interim figures, lost 9 to 210p, but Jones & Shipman, leapt 16 to 189p following the recent figures.

Foods benefited from the initial surge in the equity market, but the lack of follow-through support saw prices drift back to close virtually unchanged. Dalgety were a notable exception, rising 21 to 388p o unconfirmed reports of two separate brokers' recommendations. Hillsdown continued to attract support in the wake f the US presentation and rose 13 more to 348p. Rowntree picked up 2 at 554p.

The Hotel majors showed Grand Metropolitan 4 dearer at 580p and Ladbroke 3 better at 4465p.

Leading international stocks failed to make much headway, although BOC, at 547½p, rallied 12, and Beecham edged up 8 to 582p. Glyaxo were a shade lower at £17⅞, but Wellcome gained 10 to 528p and London International rose 7 to 361p following a BZW seminar. Unilever perked up on a combination of domestic and overseas demand to close 15 higher at 652p.

Pearson, easier at 915p, were a much quieter market—756,000 shares changed hands compared with the previous day's 36m—as excitement generated by News Corporation's share purchase subsided. BBA softened a penny to 228p on the purchase of US aerospace suppliers Ozone Industries for $1m, but Smith and Nephew firmed 2 to 196p following the acquisition of Dojoy Incorporated, an American manufacturer of knee braces, for $32m. Evered were supported in front of today's interim results and rose 16 to 384p, while brokers' recommendations in the wake of the half-year figures boosted Oriflame 10 to 285p. British Aerospace rose 6 to 520p following the sale of 10 advanced turboprop airliners, valued at $100m (£61m) to US Wings West Airlines.

Among Television issues, TV-am attracted support in front of today's half-year figures and rose 9 to 392p. Really Useful revived with a gain of 15 at 543p.

T. Cowie, the fast-expanding Sunderland-based motor dealer, dipped 7 to 183p as the group unveiled details of a fully underwritten rights issue to raise some £44.5m—the proceeds will be utilised to strengthen the capital base and to fund further expansion. Cowie also revealed proposals to increase its already dominant presence in the UK contract hire and leasing field via the acquisition of Marley Vehicle Leasing for £16m cash.

Leading Properties gave another lack-lustre performance. Land Securities settled 2 off at 605p. Elsewhere, New England Properties shed 4 to 59p following details of the half-year loss, proposed rights issue and conditional property acquisitions; the company is acquiring 11 properties close to the M25 motorway from a subsidiary of Frogmore Estates for some £20m to be financed by an issue to Frogmore of 5.47m shares plus £16.75m cash. New England has agreed a £11.5m rolling bank facility and proposed a £5.1m rights issue. Bredero were in demand at 271p, up 16, but Citygrove encountered profit-taking and shed 15 to 285p.

Textiles displayed numerous firm features under the lead of Courtaulds, finally 17 to the good at 521p as the re-rating of the group's shares, rumoured to be imminent over the past few trading sessions, gathered pace. Tootal, scheduled to reveal first-half figures next Monday, hardened a few pence to 153p, while recovery prospects stimulated revived interest in Corah which touched 120p before settling a net 5 firmer at 115p. Parkland provided another highlight, rising 16 to 231p with the aid of a bullish note from BZW.

Financials featured Argyle Trust which spurted 32 to 188p following news that discussions with "a major UK-based international group" are at an advanced stage. According to Argyle, this could result in "substantial transactions" taking place in its share capital with a view to "materially enhance its capital resources."

The oil sector staged a good revival after the recent period of inactivity, with British Gas finally a fraction harder at 178p on overseas interest. BP, ahead of the imminent pathfinder prospectus, moved up 3½ to 376p while Britoil, reflecting its recent underperformance against the rest of the sector, moved ahead 16 to 332p. Shell, boosted by a strong recommendation from a leading UK securities house, added ⅛ to £13½. Enterprise, up 7 at 347½p, and LASMO 8½ firmer at 366p, contiinued to reflect recent speculation of a possible merger.

TRADED OPTIONS

The expiry of the popular September series gave a significant boost to traded option volume. Dealers reported often sizeable demand throughout the list and total contracts done amounted to 71,069 — the highest since late July. A fair percentage of the day's business was transacted in Hanson Trust positions, particularly the calls which attracted 6,391 trades, the September 180s contributing 1,448, and the December 200s, 1,013. Amstrad were also buoyant, reflecting the underlying share price strength on the launch of its latest word processor; the cass attracted 4,303 calls, the September 180 and 200 series recording 1,148 and 1,027 trades respectively. Others to the fore included Rolls-Royce with 3,922 calls done, and Plessey with 3,202 calls traded, 1,750 of the latter being struck in the November 240s. Put trading also increased under the lead of British Gas which recorded 3,925 trades, practically all of which were transacted in the January 200 series.

FINANCIAL TIMES STOCK INDICES

	Sep. 23	Sep. 22	Sep. 21	Sep. 18	Sep. 17	Year ago	1987 High	1987 Low	Since Compilation High	Since Compilation Low
Government Secs	86.38	86.60	86.87	86.65	85.92	83.35	93.32 (8/5)	84.49 (6/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Interest	92.11	92.21	92.41	91.96	91.72	90.92	99.12 (15/5)	90.23 (2/1)	105.4 (28/11/47)	50.53 (3/1/75)
Ordinary ♥	1843.2	1831.8	1837.3	1833.2	1812.0	1264.5	1,926.2 (16/7)	1,320.2 (2/1)	1,926.2 (16/7/87)	49.4 (26/6/40)
Gold Mines	451.7	447.7	438.3	439.2	442.7	399.1	497.5 (4/8)	288.2 (19/2)	734.7 (15/2/83)	43.5 (26/10/71)
Ord. Div. Yield	3.17	3.19	3.19	3.20	3.24	4.38				
Earnings Yld.%(full)	7.76	7.81	7.82	7.84	7.93	10.07				
P/E Ratio (net) (*)	15.76	15.66	15.65	15.60	15.43	12.18				
SEAQ Bargains (5 pm)	38,460	35,829	41,348	40,276	36,407	—				
Equity Turnover (£m)	—	2006.66	1564.57	1890.21	2464.44	487.36				
Equity Bargains	—	44,424	48,331	43,822	39,485	17,114				
Shares Traded (ml)	—	631.1	573.6	603.4	603.7	223.4				

S.E. ACTIVITY

Indices	Sep. 22	Sep. 21
Gilt Edged Bargains	118.2	3162.4
Equity Bargains	287.8	313.2
Equity Value	4056.0	136.1
5-Day Average		
Gilt Edged Bargains	126.3	121.7
Equity Bargains	274.6	269.8
Equity Value	3844.5	3557.3

♥ Opening 1846.2 | 10 a.m. 1844.3 | 11 a.m. 1843.2 | Noon 1843.0 | 1 p.m. 1842.9 | 2 p.m. 1843.4 | 3 p.m. 1842.8 | 4 p.m. 1842.7

Day's High 1846.9 Day's Low 1839.4. Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, SE Activity 1974, * Nil=15.50.

LONDON REPORT AND LATEST SHARE INDEX: TEL. 01-246 8026

NEW HIGHS AND LOWS FOR 1987

NEW HIGHS (190)

AMERICANS (2), BANKS (1), BUILDINGS (9), CHEMICALS (6), STORES (8), ELECTRICALS (9), ENGINEERING (2), FOODS (2), HOTELS (2), INDUSTRIALS (23), INSURANCE (2), LEISURE (4), MOTORS (3), NEWSPAPERS (1), PAPERS (3), PROPERTY (3), TEXTILES (4), TRUSTS (32), OILS (3), PLANTATIONS (1), MINES (10).

NEW LOWS (4)

AMERICANS (2) Allegheny & West, Gt Am First Savings Bk, CANADIANS (1) American Lightwave, ENGINEERING (1) Airship Inds.

Traditional Options

- First dealings Sept 21
- Last dealings Oct 2
- Last declaration Dec 17
- For Settlement Dec 28

For rate indications see end of London Share Service

Stocks favoured for the call included Jackson Exploration, West Coast, Astra Holdings, Beddington, Sound Diffusion, Chessminster, Cametech, Berkeley and Hay Hill, Astra Trust, Hill Samuel, Blue Arrow, London Securities, BCE, Rotaprint, Marks and Spencer, Control Securities, Eagle Trust, Burton, S. G. Warburg, Wace, Tarmac, Norfolk Capital), Midland Bank, Abaco, Charterhall and Raglan Property Trust. A put options was struck in Bryson Oil and Gas, while doubles were transacted in Greenwich Resources and Sound Diffusion.

TRADING VOLUME IN MAJOR STOCKS

The following is based on trading volume for Alpha securities dealt through the SEAQ system yesterday until 5 pm.

Stock	Volume 000's	Closing price	Day's change	Stock	Volume 000's	Closing price	Day's change
ASDA-MFI	5,100	206	+1	Ladbroke	857	465	+3
Allied Lyons	2,300	431	+5	Land Securities	751	605	−2
Amstrad	7,500	184	+9	Legal & Gen.	1,500	354	—
Argyll Group	4,700	232	+5	Lloyds Bank	4,600	385	+10
Assoc. Brit. Foods	169	346	—	Lonrho	2,200	318	+3
BAT	2,700	689	+2	Lucas	481	779	+6
BET	2,800	281½	+4½	MEPC	953	565	—
BICC	4,400	425	—	Marks & Spencer	2,600	243	+1
BOC	1,900	547½	+12	Midland Bank	2,800	563	+3
BPB Inds	4,100	345	+7	Natwest Bank	3,100	758	+15
BPCC	592	365	+2	Next	1,400	373	+3
BTR	1,900	370	−4	Pearson	756	915	−2
Barclays	2,600	613	−2	P & O	388	744	+6
Bass	433	£10⅛	+⅛	Pilkington Bros	3,600	317	−1
Beecham	3,400	582	+8	Plessey	7,400	215	+5
Blue Circle	493	464	—	Prudential	323	£10½	+⅛
Boots	2,800	302	−3	Racal	9,500	314	+9
Brit. Airways	5,300	214	−6	Rank Org.	511	703	+5
Brit. Aero	1,600	520	+6	RHM	407	343	+2
Brit. & Comm.	1,800	520	+3	Reckitt & Col	423	£10⅞	+⅛
British Gas	12,000	178	+½	Redland	1,600	509	+1
Britoil	9,400	332	+16	Reed Intl.	1,300	558	—
BP	8,800	376	+3½	Reuters	306	909	+2
Brit. Telecom	12,000	263	+3	RMC	310	482	−9
Bunzl	1,000	225	—	RTZ	934	£13¼	+⅛
Burton	3,600	300	+4	Rolls-Royce	7,600	200½	−½
Cable & Wire	9,200	485	+8	Rowntree	299	559	+2
Cadbury Schwps	3,800	279	—	Ryl Bank Scotland	1,900	412	+22
Coats Viyella	2,000	401	+3	Royal Insurance	1,300	586	+1
Comm. Union	5,000	410	−2	STC	1,800	300	−1½
Cons. Gold	1,500	£14¼	+⅛	Saatchi & Saatchi	2,100	582	−2
Cookson	341	821	+13	Sainsbury	1,600	279	−5
Courtaulds	2,800	521	+17	Scott & Newcastle	1,700	255	+1
Dee Corpn	2,600	208	+3	Sears	1,400	164	−3½
Dixons Group	948	378	—	Sedgwick	869	287	+3
English China Clays	726	539	+4	Shell Trans	4,300	£13½	+⅛
Fisons	7,500	341	+3½	Smith & Nephew	5,800	196	+2
Gen. Accident	827	£11¼	—	Standard Chart	473	830	−2
Gen. Elect.	9,400	217½	+4½	Storehouse	5,800	381	−2
Glaxo	1,400	£17⅞	−⅛	Sun Alliance	113	£11⅛	+⅛
Globe Investment	603	186½	−½	TSB	1,500	142½	−1
Granada	1,000	385	—	Tarmac	4,000	299	+4
Grand Met	2,700	580	+4	Tesco	2,900	195	−2
GUS "A"	225	£14⅛	+⅛	Thorn EMI	2,500	696	+4
Guardian R.E.	368	£10⅛	—	Trafalgar House	3,800	393	—
GKN	1,100	410	+4	T'house Forte	3,600	259	—
Guinness	2,400	360	−2	Ultramar	2,700	285	+5
Hammerson	164	667	−5	Unigate	1,900	376	−7
Hanson Trust	9,200	182½	—	Unilever	1,000	652	+15
Hawker Sidd.	447	586	−1	United Biscuits	422	324	+1½
Hillsdown Hldgs	2,700	348	+13	Wellcome	1,000	528	+10
ICI	1,300	£16⅛	+⅛	Whitbread "A"	2,200	329	—
Jaguar	765	567	+8	Woolworth	1,100	863	+2

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	6	101	5
Corporations, Dominion and Foreign Bonds	6	20	27
Industrials	569	334	682
Financial and Properties	215	102	299
Oils	41	28	45
Plantations	5	1	8
Mines	47	63	80
Others	142	44	52
Totals	1,031	693	1,198

FT-ACTUARIES INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed Sep 23 1987 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at 27%)	Est. P/E Ratio (Net)	xd adj. 1987 to date	Tue Sep 22 Index No.	Mon Sep 21 Index No.	Fri Sep 18 Index No.	Year ago (approx) Index No.
1	CAPITAL GOODS (211)	986.69	+0.5	7.14	2.84	17.59	16.46	981.72	984.96	988.25	671.74
2	Building Materials (30)	1215.17	+0.4	7.71	2.94	16.18	19.29	1210.69	1214.54	1209.65	787.60
3	Contracting, Construction (33)	1839.26	+0.3	6.68	2.70	20.00	23.82	1833.88	1832.37	1838.16	1204.00
4	Electricals (12)	2523.42	+0.5	5.08	2.67	25.17	45.17	2512.11	2531.36	2542.59	1757.97
5	Electronics (35)	2093.26	+1.6	7.69	[illegible]	16.95	33.84	2061.10	2076.79	2058.13	1443.36
6	Mechanical Engineering (59)	524.84	+0.4	7.55	3.24	16.66	9.96	522.21	524.09	523.73	367.98
8	Metals and Metal Forming (7)	569.25	—	7.05	2.87	17.23	8.88	569.16	572.03	576.55	345.47
9	Motors (14)	400.34	+0.4	7.31	2.78	16.01	5.47	398.69	402.17	402.77	272.84
10	Other Industrial Materials (21)	1732.74	−0.2	6.04	[illegible]	19.68	34.34	1736.80	1731.35	1704.25	1237.72
21	CONSUMER GROUP (183)	1358.38	+0.6	6.02	2.54	21.15	16.92	1350.79	1356.20	1351.00	922.64
22	Brewers and Distillers (22)	1213.48	+0.3	8.35	3.83	15.14	15.80	1209.32	1222.59	1224.33	908.80
25	Food Manufacturing (24)	1025.91	+1.2	7.19	3.03	17.97	16.23	1013.86	1016.79	1020.31	691.24
26	Food Retailing (16)	2485.27	—	5.76	2.34	23.13	36.70	2486.16	2496.77	2488.41	1930.28
27	Health and Household Products (10)	2652.23	+0.7	3.90	1.53	29.67	16.41	2635.04	2637.63	2618.19	1512.01
29	Leisure (31)	1422.12	+0.5	5.77	3.11	21.63	24.82	1415.51	1418.87	1411.91	986.85
31	Packaging & Paper (15)	678.98	+0.7	6.21	2.68	21.18	10.02	674.57	673.86	673.21	465.64
32	Publishing & Printing (13)	4799.72	+0.4	4.28	[illegible]	[illegible]	[illegible]	4782.58	4749.66	4715.29	2621.86
34	Stores (36)	1113.85	+0.3	6.34	2.60	21.36	13.78	1110.33	1119.91	1112.09	858.59
35	Textiles (16)	888.18	+1.9	7.11	2.59	16.30	12.07	871.81	873.12	872.76	538.51
40	OTHER GROUPS (89)	1165.24	+0.7	7.47	3.04	16.69	19.86	1157.19	1152.88	1145.86	757.82
41	Agencies (18)	1730.44	+0.5	3.59	1.31	36.60	15.18	1721.77	1732.46	1715.85	0.0
42	Chemicals (21)	1524.90	+1.2	6.44	3.01	19.00	31.59	1507.55	1482.58	1482.09	977.08
43	Conglomerates (12)	1482.30	+0.3	6.99	3.17	16.36	21.92	1478.28	1456.65	1446.35	0.0
45	Shipping and Transport (12)	2385.32	−0.1	7.07	3.45	18.58	41.05	2387.65	2375.86	2372.72	1462.64
47	Telephone Networks (2)	1084.64	+1.3	9.35	3.73	14.27	18.98	1070.95	1077.68	1061.25	746.85
48	Miscellaneous (24)	1730.83	+0.3	8.76	2.71	13.63	32.20	1725.51	1731.52	1724.92	1048.63
49	INDUSTRIAL GROUP (483)	1224.42	+0.6	6.70	2.76	18.79	18.10	1217.31	1219.36	1213.40	823.71
51	Oil & Gas (17)	2261.67	+1.4	7.33	4.28	16.85	64.58	2229.79	2226.76	2252.79	1366.82
59	500 SHARE INDEX (500)	1312.52	+0.7	6.80	2.98	18.48	22.11	1303.33	1304.95	1301.67	869.67
61	FINANCIAL GROUP (118)	868.87	+0.6	—	3.54	—	17.49	863.62	857.42	857.40	594.46
62	Banks (8)	877.55	+1.3	15.21	4.43	8.69	25.65	866.06	839.52	837.80	663.49
65	Insurance (Life) (9)	1190.58	+0.6	—	3.71	—	22.60	1183.18	1180.34	1188.01	832.67
66	Insurance (Composite) (7)	676.88	+0.2	—	4.07	—	13.50	675.59	677.75	678.53	4360.60
67	Insurance (Brokers) (8)	1184.12	+0.3	9.40	4.84	13.62	32.85	1180.40	1188.12	1218.79	1196.45
68	Merchant Banks (11)	498.59	+1.0	—	2.74	—	7.77	493.58	490.94	495.35	329.57
69	Property (47)	1330.57	−0.1	3.65	2.24	35.38	14.24	1332.41	1338.18	1335.66	752.53
70	Other Financial (28)	583.44	+0.5	5.71	2.63	22.18	8.27	580.64	580.99	578.46	341.47
71	Investment Trusts (91)	1177.52	+0.3	—	2.87	—	14.12	1174.55	1178.96	1176.86	776.86
81	Mining Finance (2)	691.99	+0.9	6.61	2.52	17.20	6.79	685.79	695.85	699.53	298.32
91	Overseas Traders (10)	1272.28	+0.7	7.12	3.70	16.67	29.58	1263.04	1268.52	1260.53	671.69
99	ALL-SHARE INDEX (721)	1198.58	+0.7	—	3.03	—	20.50	1190.52	1190.84	1188.42	791.89

	Index No.	Day's Change	Day's High	Day's Low	Sep 22	Sep 21	Sep 18	Sep 17	Sep 16	Year ago
FT-SE 100 SHARE INDEX ‡	2352.4	+16.2	2356.9	2347.4	2336.2	2334.8	2328.3	2304.5	2279.8	1603.4

FIXED INTEREST

	PRICE INDICES	Wed Sept 23	Day's change %	Tue Sept 22	xd adj. today	xd adj. 1987 to date
	British Government					
1	5 years	120.80	−0.06	120.87	—	8.55
2	5-15 years	135.65	−0.36	136.14	—	10.20
3	Over 15 years	143.25	−0.34	143.74	—	10.29
4	Irredeemables	157.26	−0.51	158.07	—	8.81
5	All stocks	132.97	−0.26	133.31	—	9.72
	Index-Linked					
6	5 years	120.25	−0.02	120.28	—	2.18
7	Over 5 years	112.74	—	112.74	—	2.60
8	All stocks	113.19	—	113.19	—	2.55
9	Debentures & Loans	114.50	−0.02	114.52	—	7.25
10	Preference	84.63	—	84.63	—	4.35

	AVERAGE GROSS REDEMPTION YIELDS		Wed Sep 23	Tue Sep 22	Year ago (approx.)
	British Government				
1	Low	5 years	9.46	9.41	9.45
2	Coupons	15 years	9.70	9.65	10.21
3		25 years	9.58	9.54	10.23
4	Medium	5 years	10.14	10.08	11.08
5	Coupons	15 years	9.97	9.91	10.55
6		25 years	9.79	9.76	10.19
7	High	5 years	10.21	10.16	11.16
8	Coupons	15 years	10.14	10.08	10.74
9		25 years	9.82	9.78	10.29
10	Irredeemables†		9.82	9.76	10.03
	Index-Linked				
11	Inflation rate 5%	5yrs	3.36	3.35	4.60
12	Inflation rate 5%	Over 5 yrs	4.02	4.02	3.65
13	Inflation rate 10%	5 yrs	3.35	3.34	3.21
14	Inflation rate 10%	Over 5 yrs	4.03	4.02	3.49
15	Debs &	5 years	11.68	11.68	10.80
16	Loans	15 years	11.47	11.47	11.20
17		25 years	11.35	11.34	11.27
18	Preference†		10.77	10.77	11.02

‡ Opening index 2356.2; 10 am 2353.8; 11 am 2353.2; Noon 2351.4; 1 pm 2349.9; 2 pm 2352.2; 3 pm 2351.4; 3.30 pm 2351.4; 4 pm 2351.1

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London EC4P 4BY, price 15p, by post 32p.

LONDON TRADED OPTIONS

Option		Calls Oct.	Calls Jan.	Calls Apr.	Puts Oct.	Puts Jan.	Puts Apr.
Allied Lyons (*431)	390	48	58	70	2	6	10
	420	29	37	50	10	18	23
	460	6	18	33	35	43	47
Brit. Airways (214)	190	27	—	—	2	—	12
	200	19	31	38	4½	9	22
	220	7	20	31	10	—	—

Option		Calls Nov.	Calls Feb.	Calls May	Puts Nov.	Puts Feb.	Puts May
Guinness (*360)	330	35	52	58	4	8	13
	360	17	32	40	15	20	25
	390	7	18	25	35	37	42
Ladbroke (*465)	420	—	65	75	—	10	15
	443	32	—	—	10	—	—
	460	21	38	50	18	23	33

September 23. Total Contracts 71,069. Calls 50,027. Puts 21,042. FT-SE Index Calls 2,130. Puts 1,700
*Underlying security price.

LONDON RECENT ISSUES

EQUITIES

Issue Price	Amount Paid up	Latest Renunc. Date	1987 High	1987 Low	Stock	Closing Price	+ or −	Net. Div.	Times Cov'd	Gross Yield	P.E. Ratio
§110	F.P.	18/9	121	98	Adscene	111	−2	L2.5	1.9	3.1	29.4
221	F.P.	—	255	221	Alexander (W)	255	+2	4.25	2.9	2.3	20.9
††	F.P.	—	84	65	BHP Gold Mines A$0.25	79	......	—	—	—	—
80	F.P.	—	108	85	*ChemEx. Ind.	90	−4	—	—	—	—
§50	F.P.	9/9	93	58	‡Corp. Estates Prop.5p	85	+2	L0.75	2.4	1.2	46.4
§106	F.P.	—	158	135	‡Dolphin Pack 5p	158	+11	L2.0	3.5	1.7	22.4
10	F.P.	11/12	12¾	10	EFM Dragon Trust 5p.	12½	+¼	—	—	—	—
100	F.P.	25.9	114	103	First Spanish Inv.Units	112	......	—	—	—	—
100	F.P.	—	107	100	G.T. Venture 50p.●	100	−1	—	—	—	—
‖‖	F.P.	—	130	92	‡Goldsborough Grp. 1p.	130	+8	—	—	—	50.0
‖‖	F.P.	—	105	70	Do. Warrants	105	+5	—	—	—	—
121	F.P.	—	154	78	Ketson	140	+1	—	—	—	—
§100	F.P.	—	145	108	Kingston Oil & Gas 50p	118	......	—	—	—	—
100†	F.P.	—	165	115	*Medirace 10p	165	+2	—	—	—	—
—	F.P.	—	98	55	Moorgate Inv. Warr.	85	......	—	—	—	—
§110	F.P.	4/8	281	185	‡Parkway 5p.	251	−2	R1.5	4.2	0.8	39.9
§10.58	F.P.	—	$21¼	515	Portugal Fund $0.01	519½	......	—	—	—	—
¶¶	F.P.	—	128	105	*Seacon Holdings	120	+1	—	—	—	18.7
—	F.P.	26/10	118	101	Singer & Fr'dlander 10p	105	......	—	—	—	—
‖‖	F.P.	—	166	143	Zetters Leisure 10p.	160	......	L1.5	3.7	1.3	29.0

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1987 High	1987 Low	Stock	Closing Price £	+ or −
100	F.P.	—	108p	105p	AGB Research 6.21 Cnv. Pf.	108p	......
100	F.P.	—	102p	97p	Chesterfield Props 5¾pc Cr. Cm. Prf.	102p	+1
¶¶	F.P.	—	145p	130p	Merlin Intl. Cm. Red. Cnv. Prf.	136p	−2
—	F.P.	—	100	99	N'wide Anglia 10% Bds 1/8/88	99½	......
—	F.P.	—	100⅛	99⅞	Do. 10⅛% Bds. 22/8/88	99⅞	......
—	F.P.	—	100⅛	99⅞	Do. 10⅛ pc. 12.9.88	100⅛	......
—	F.P.	—	100⅛	100	Do. 10⅛ pc.26.9.88	100⅛	......
‖	Nil	—	9½pm	6½pm	Next 5¾% Cnv. 2003	9½pm	+1
—	£25	11/11	25½	12¾	North Housing Assoc. 8¾% Gtd.ln.2037	17	......
—	F.P.	—	270p	200p	Do. Zero Corp. Ln. 2027	245p	......
100	F.P.	—	113p	111p	‡Randsworth Tst. 7% Cnv. Cm. Red. Pf.	111p	......

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1987 High	1987 Low	Stock	Closing Price p	+ or −
280	Nil	29/10	61pm	20pm	AAF	61pm	+1
350	Nil	—	119pm	108pm	AB Elect.	118pm	+2
30	Nil	6/11	103pm	88pm	Amal. Fin. Inv.	88pm	−2
8	Nil	30/10	14pm	8pm	BOM Holdings	8pm	−2
166	Nil	28/9	3pm	¼pm	Blue Arrow 5p	¼pm	......
470	Nil	13/11	45pm	32pm	Bowater	40pm	−2
475	Nil	30/10	80pm	49pm	Brit. Vita	80pm	+1
650	Nil	28/9	103pm	88pm	‡Brookmount	98pm	......
¶¶	Nil	—	18pm	10pm	CDFC Units	13pm	......
90	Nil	—	6½pm	4pm	Christy Hunt 1p	4½pm	......
761	Nil	—	115pm	108pm	Collins (W.)	108pm	......
637	Nil	—	75pm	45pm	Do A N/V	45pm	−15
50	Nil	7/10	162pm	138pm	Conrad Hldgs	154pm	......
257	Nil	30/9	57pm	35pm	‡Dewey Warren 10p	44pm	−5
182	Nil	23/9	2pm	¼pm	FKI Electrical 10p	¼pm	......
335	Nil	30/10	101pm	87pm	Greenwich Res.	95pm	−3
48	Nil	26/10	32pm	19pm	Helene of London 10p	27pm	......
45	Nil	—	19pm	9pm	Inoco	11pm	−1
400	Nil	—	65pm	60pm	Macarthy 20p	60pm	......
425	Nil	—	186	175	‡Miller & Santhouse 5p.	186pm	......
50	Nil	28/10	88pm	83pm	‡Perkins (J.) Meats	83pm	......
2½	Nil	—	6pm	3¼pm	Property Trust 1p	3¼pm	−¼
83	Nil	29/10	24½pm	19½pm	Queens Moat	24½pm	+1
425	Nil	—	21pm	6pm	Tyndall Hldgs	13pm	−5
65	Nil	30/10	51pm	38pm	Upton (E.)	46pm	......

Renunciation date usually last day for dealing free of stamp duty. *a* Annualised dividend. *b* Figures based on prospectus estimates. *d* Dividend rate paid or payable on part of capital, cover based on dividend on full capital. *g* Assumed dividend and yield. *h* Assumed dividend and yield after scrip issue. F Dividend and yield based on prospectus or other official estimates for 1986/7. H Dividend and Yield based on prospectus or other official estimates for 1987. L Estimated annualised dividend, cover and p/e based on latest annual earnings. q Earnings based on preliminary figures. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma Figures ‡ Indicated dividends; cover relates to previous dividend; p/e ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ‖‖ Introduction. ** Issued by way of capitalisation. § Placing price. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ■ Allotment price. ¢ Unlisted securities market. †† Official London listing. ‡‡ Including warrants entitlement. ‡ Placing and offer for sale price. * Third Market. †Issued in £2 Units comprising 2 Ord Shares & 1 Warrant. (Exerciseable at 50p into 1 Ord.) ●Wid warrants

WORLD STOCK MARKETS

AUSTRIA

Sep. 23	Price Sch%	+ or −
Creditanstalt	2200.00	−30
Goesser	3375.00	−5
Interunfall	12980.00	−20
Jungbunzlauer	8960	+40
Laenderbank	2040.00	−25
Perlmooser	710.00	−30
Steyr-Daimler	125.00	−4
Veitscher Mag	884.00	−16

BELGIUM/LUXEMBOURG

Sep. 23	Price Frs.	+ or −
B.B.L.	3200	......
Banque Gen. Du. L.	14650	......
Bank Int. A	14300	......
Bekaert B	20900	+150
Ciment CBR	6850	+250
Cockerill	178	+1
Colruyt	11000	......
Delhaize	4500	+50
EBES	4800	+50
Fabrique Nat.	1450	−30
GB Inno BM	1902	......
GBL (Brux) L	4090	+65
Generale Bank	6300	−10
Gevaert	8100	+100
Hoboken	8510	−60
Intercom	3815	+45
Kredietbank	4490	−30
Pan Holdings	13500	......
Petrofina	13350	+325
Raffinerie Tirle	1760	+35
Royale Belge	6010	......
Soc Gen Belge	3730	+20
Sofina	14900	+300
Solvay	15700	+400
Stanwick Intl.	550	......
Tractebel	7760	+160
UCB	10850	+250
Wagons Lits	5800	+90

DENMARK

Sep. 23	Price Kr %	+ or −
Baltica Hldgs	1050.00	−30
Cop Handelsbank	252.00	+4
D. Sukkerfab	312.00	+3
Den Danske Bank	336	−2
East Asiatic	199.00	+2
Forenede Brygg	915	−5
GNT Holding	236.00	−5
I.S.S.B. Systems	815.00	+5
Jyske Bank	535	+5
Novo Inds. *	217.00	−3
Privatbanken	262.00	+3
Sophus Berendsen	1010.00	......
Superfos	243.00	−7

FINLAND

Sep. 23	Price Mka	+ or −
Amer	256.5	+0.5
KOP	61.4	+0.65
Kone	251	+0.5
Finnish Sugar	85.75	−0.75
Kymmene	135.5	−2
Nokia	246	+3
Pohjola "B"	129.5	+1
Rauma-Repola	33.75	−0.15
Stockmann "B"	291.5	+3.5
UBF "C"	35.55	−0.45
Utd. Paper	161.5	+3
Wartsila (x11)	252.5	+1

FRANCE

[illegible]

GERMANY

Sep. 23	Price Dm.	+ or −
AEG	335.00	−0.2
Allianz Vers.	2065.00	+15
BASF	337.50	+1
Bayer	360.00	+3.5
Bayer-Hypo	517.00	+4.5
Bayer-Verein	488.00	+8
BHF-Bank	475.00	+1
BMW	736.00	+8
Brown Boveri	354.00	+3.5
Commerzbank	302.50	+2
Cont'l Gummi	396.00	+5.4
Daimler-Benz	1075.00	+6
Degussa	534.00	+6
D'sche Babcock	238.00	+4
Deutsche Bank	694.50	+2.7
Dresdner Bank	361.50	+1.5
Feldmuehle Nobel	322.50	+3.5
Henkel	585.00	+4.5
Hochtief	698.00	+13
Hoechst	321.50	+0.7
Hoesch Werke	125.80	......
Holzmann (P)	415.00	+10
Horten	255.00	+4.5
Husel	663.00	......
Karstadt	576.50	−1.5
Kaufhof	507.00	+2
KHD	188.00	+1.5
Kloeckner Werke	143.00	......
Linde	740.00	+1
Lufthansa	173.00	+2
MAN	192.00	+1.7
Mannesmann	175.50	+0.8
Mercedes Hld.	900.00	−2
Metallgesell	370.00	+6
Muench Rueck	2060	+10
Nixdorf	830.00	+7
Porsche	985.00	+1
Preussag	197.80	+2.3
Rhein West Elect.	240.00	+0.5
Rosenthal	300.50	+4.5
Schering	609.00	−7
Siemens	666.00	+9.5
Thyssen	133.10	+1.1
Varta	368.00	+8
Veba	317.50	+4.5
V.E.W.	170.00	+2.8
Verein-West	462.00	+2
Volkswagen	385.50	−9.5

ITALY

Sep. 23	Price Lire	+ or −
Banca Com'le	2950	......
Bastogi-IRBS	410	−5
CIR	5201	......
Credito Italiano	1805	......
Fiat	11090	+390
Generali Assicur	106500	+1525
Italcementi	111000	+1800
La Rinascente	1090	+25
Montedison	2270	+28
Olivetti	11650	+100
Pirelli Co.	5870	......
Pirelli Spa	4430	......
Saipem	3650	......
Snia BPD	3300	+141
Toro Assic	28500	+1030

NETHERLANDS

Sep. 23	Price Fls.	+ or −
ACF Holding	59.50	+1.2
AEGON	88.10	+2.1
Ahold	105.50	+0.7
[illegible]		

NORWAY

[illegible]

SPAIN

Sep. 23	Price Pts. %	+ or −
Alcazar	640.00	......
Banco Bilbao	1883.00	......
Banco Central	1140.00	+5
Banco Exterior	573.00	......
Banco Hispano	825.00	−5
Banco Popular	2015.00	−40
Banco Santander	1265.00	......
Banco de Vizcaya	2015.00	......
Banesto	1240.00	−15
Dragados	792.00	......
Hidrola	98.00	......
Iberduero	127.20	−1.8
Petroleos	753.00	+9
Telefonica	224.00	+1

SWEDEN

Sep. 23	Price Kronor	+ or −
AGA (free)	225.00	......
Alfa-Laval	355.00	−3
ASEA (Free)	436.00	−2
Astra B (Free)	267.00	+2
Atlas Copco	210.00	+4
Beijer A Fria	235	......
Cardo (Free)	328	......
Cellulosa	339.00	+1
Electrolux B	336.00	+3
Ericsson	240.00	+2
Esselte	202.00	+1
Mo Och Domsjo	480.00	+5
Pharmacia	252.00	+11
Saab-Scania (free)	292.00	−1
Sandvik	208.00	+1
Skandia Ins.	206.00	−3
Skandia Intl.	278.00	−1
Skan Enskilda	152.00	−1
SKF	384.00	+6
St. Kopparbergs	421.00	+1
Svkz Handelsbn	540	......
Swedish Match	115.00	+3
Volvo B (Free)	408.00	+2

SWITZERLAND

[illegible]

AUSTRALIA

[illegible]

AUSTRALIA (Continued)

Sep. 23	Price Aust.$	+ or −
News	23.10	−0.2
Noranda Pacific	4.90	+0.05
North Bkn Hill	4.70	−0.05
Oakbridge	0.53	+0.03
Pacific Dunlop	6.08	−0.1
Pancont'l	3.95	......
Pioneer Conc.	4.65	−0.1
Placer Pacific	4.05	+0.05
Poseidon	6.60	−0.1
Queensland Coal	1.57	−0.01
Santos	7.10	+0.1
Smith (H.)	5.10	......
Thos Nationwide	6.70	−0.10
Tooth	9.00	−0.1
Vamgas	3.50	−0.1
Western Mining	9.44	−0.06
Westpac	6.90	......
Woodside Petrol	2.20	......
Woolworths	3.45	......
Wormald Intl	3.35	......

HONG KONG

Sep. 23	Price H.K.$	+ or −
Bank East Asia	31.75	......
Cathy Pacific	8.20	+0.1
Cheung Kong	12.80	+0.4
China Light	30.75	+2.55
Evergo	1.06	+0.06
Hang Lung	19.00	......
Hang Seng Bank	47.00	+0.75
Henderson Land	7.15	+0.05
Hong Kong China	20.80	+0.4
HK Electric	10.20	+0.1
HK Land	8.60	+0.2
HK Shanghai Bank	10.60	......
HK Telephone	18.20	+1
Hutchison Wpa	14.30	+0.2
Indust Equity P	29.60	−1.4
Jardine Math	22.70	+0.4
[illegible]		

JAPAN

[illegible]

JAPAN (Continued)

[illegible]

SINGAPORE

[illegible]

SOUTH AFRICA

[illegible]

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. [illegible]

CANADA

TORONTO

Closing prices September 23

[illegible]

MONTREAL

Closing prices September 23

[illegible]

Indices

NEW YORK

[illegible]

STANDARD AND POORS

[illegible]

N.Y.S.E. ALL COMMON

Sept 23	Sept 22	Sept 21	Sept 18	1987 High	1987 Low
176.53	176.49	174.25	176.36	187.99 (25/8)	141.81 (21/1)

RISES AND FALLS

	Sept 22	Sept 21	Sept 18
Issues traded	2,011	1,982	1,984
Rises	1,085	488	677
Falls	554	1,049	879
Unchanged	482	425	438

TORONTO

	Sept 23	Sept 22	Sept 21	Sept 18	1987 High	1987 Low
Metals & Minls	3,349.8	3,312.3	3,291.7	3316.4	2,483.8 (4/8/87)	1,888.2 (2/1/86)
Composite	3,919.5	3,881.9	3,886.5	3912.8	4,112.8 (13/8)	3,087.8 (2/1/86)
MONTREAL Portfolio	1,852.81	1,838.38	1,827.88	1841.41	2,224.77 (18/7/87)	1,534.3 (2/1/86)

* Indicates pre-close figure

NYSE-Consolidated 1500 Actives

	Stocks Traded	3.00p.m. Price	Change on Day
AT & T	8,651,100	34½	+ ⅛
Dreyfus Strategi	4,330,000	9⅝	− ⅛
Nat Semicon	3,066,600	19⅜	+ ⅝
Santa Fe South	2,464,300	56⅞	+ 1⅜
Newm. Mining	2,198,100	84¼	− 1⅝
IBM	1,958,200	153⅞	− 1⅝
General Elec-al	1,017,800	62½	unch
Marion Labs	1,692,300	33¾	+ 2⅛
Louisville G&E	1,665,600	25½	+ ⅜
Exxon	1,637,000	48½	− ½

AUSTRALIA ... WORLD

	Sep. 23	Sep. 22	Sep. 21	Sep. 18	1987 High	1987 Low
[illegible]						
JSE Gold (28/9/78)	(u)	2266.0	2243.0	2278.0	2499.0 (3/8)	1780.0 (19/3)
JSE Indust (28/9/78)	(u)	2207.0	2205.0	2203.0	2226.0 (14/8)	1425.0 (2/1)
SPAIN Madrid SE (30/12/85)	309.94	310.86	317.01	317.05	321.26 (17/9)	202.89 (8/5)
SWEDEN Jacobson & P. (31/12/56)	3118.00	3079.70	3105.10	3079.70	3134.30 (14/9)	2111.39 (28/1)
SWITZERLAND Swiss Bank Ind. (31/12/58)	710.4	706.0	706.5	708.2	710.4 (23/9)	559.7 (25/2)
WORLD M.S.Capital Intl. (1/1/70)	(u)	478.8	474.4	477.9	495.90 (27/8)	361.3 (2/1)

**Saturday September 19: Japan Nikkei (c). TSE (c)

Base values of all indices are 100 except Brussels SE—1,000 JSE Gold—255.7 JSE Industrials—264.3 and Australia, All Ordinary and Metals—500; NYSE All Common—50; Standard and Poor's—10; and Toronto Composite and Metals—1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 Industrials plus 40 Utilities, 40 Financials and 20 transports. (c) Closed. (u) Unavailable.

LONDON — Most Active Stocks
Wednesday, September 23, 1987

	Stocks Traded	Closing Price	Change on Day
Brit Gas	12.80m	178	+ ½
Brit Telecom	12.80m	263	+ 3
Racal	8.50m	314	+ 8
Boots	8.40m	332	+ 16
Gen Elect	8.40m	217½	+ 4½
Cable & Wire	9.20m	485	+ 8
BP	8.80m	376	+ 3½
Rolls Royce	7.80m	208½	− ½
Amstrad	7.58m	184	+ 9
Fisons	7.58m	341	+ 3½

OVER-THE-COUNTER *Nasdaq national market, closing prices*

Continued from Page 33

Stock	Sales (Hhds)	High	Low	Last	Chng
[illegible]					
RepAm.28e	14 2255	17¼	17	17¼	+ ⅛
ReutrH .69e	3703	90⅝	90	90¼	− ¼
Rexon	13 1118	7½	7⅛	7¼	+ ⅛
ReyRy .76	15 889	32	31	31¼	− ¼
RhonPl	16	37¾	37⅝	37¾	− ⅛
Riblim	106	8¾	8⅝	8⅝	
RchmH.05e	1163	17½	15⅞	16⅞	+ ⅞
RiggsNt1.10	31 48	28½	28¼	28¼	− ¼
RoadSv1.10	25 531	38½	38¼	38¼	
[illegible]					
SonocPs .44	20 267	28¼	28	28¼	+ ⅛
SCarNs .56	12 842	26⅛	25¾	25⅞	
Sounet	717 88	21⅜	21¼	21⅜	
SthdFn	268	5⅛	4¾	5	+ ⅛
Soutrst .80	9 165	22	21¾	21¾	
Sovran 1.44	10 2403	37⅞	37⅛	37⅞	+ ¼
Speedy	61 117	44¼	44	44¼	+ ¼
StdMic	782	12⅝	12	12⅛	− ¼
StdRegs .44	22 114	25¼	24⅞	25¼	
[illegible]					
UnWarn	24 1462	46½	45	46	+ 3
UACm .04	233 873	28	27½	28	
UBCol .54	87 658	22⅝	22⅛	22¼	+ ⅛
UnCosF .85	7 41	19¼	18⅞	19¼	
UHlthCr	18 273	6½	6¼	6¼	− ⅛
UtdSvrs .72	6 43	22	21¾	21½	− ¼
USBcp .80	10 957	27⅛	26¾	26¾	− ⅜
US HltC .16	12 2230	8⅝	8⅜	8⅝	+ ⅛
US Sur .40	22 88	30½	30	30½	+ ¼
[illegible]					
XL Dta	52 212	19½	19	19¼	+ ¼
XOMA	342	19	18½	18½	− ½
Xicor	872 1434	15	13⅝	14⅞	+ ⅞
Xidex	5785	12⅛	11⅝	11⅞	+ ⅛
Xylogic	19 86	17½	17¼	17¼	
Xyvsn	27 1870	11⅝	10⅝	11⅝	+ 1⅛
YlowFs .02	21 815	37⅛	36¾	36⅞	
ZionUt 1.44	33	39	38¾	39	
Zondvn	909	14⅛	13¼	13½	− ½

LONDON Chief price changes
(In pence unless otherwise indicated)

RISES:

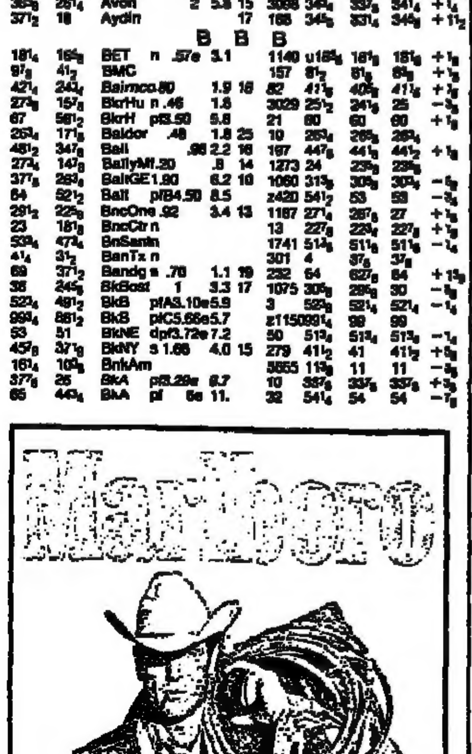
Amstrad	184	+ 9
Argyle Trust	188	+32
Bank of Scotland	601	+33
Cable & Wireless	485	+ 8
Courtaulds	521	+17
Dalgety	388	+21
Evered	334	+16
Higgs & Hill	403	+13
Hillsdown	348	+13
Jones & Shipman	180	+16
Laporte	584	+21
Lloyds Bank	385	+10
London Intl	361	+ 7
NatWest Bank	758	+15
Oriflame	285	+10
Parkland Textile	231	+16
Pearl	470	+15
Ratners	404	+25
Royal Bk Scotland	412	+22
TI Group	440	+16
TV-am	392	+ 9
Tibbett & Britten	262	+ 9
Unilever	652	+15
Wellcome	526	+10

FALLS:

Conv 9pc 2000	£93¹⁷⁄₃₂	−¹⁵⁄₃₂
Cowie (T)	183	− 7
Heywood Williams	359	− 6
RMC	482	− 9

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
36½	21	AAR s	.50	1.3	23	671	37⅛	37½	37¾	+¼
52	23¾	ADT	.92	1.8	29	58	51⅞	51¾	51¾	
31¼	16¾	AFG s	.16	.6	10	378	28½	27⅞	28¼	+⅜
22⅜	8½	AGS s			20	244	21½	21¼	21⅜	+¼
10½	6¾	AMCA				52	9⅝	9½	9⅝	
9⅜	4⅞	AM Intl				624	7¾	7⅝	7⅝	+¼
65½	50½	AMR			11	4187	55¼	54	54⅜	−1
12½	8¼	ARX s			11	260	11¼	11	11¼	+⅛
73½	34⅜	ASA	2a	3.2		593	63⅜	62	62¾	+⅞
20⅛	9¾	AVX			39	532	19⅞	19½	19½	−⅛
67	41⅛	AbtLab	1	1.7	23	5532	59⅝	58½	58⅝	−¾
28	23⅜	AbitIbi g				352	24⅛	d23¼	24⅛	+½
16¾	9¾	AcmeC .40		3.0	14	177	13½	13¼	13½	+⅛
10½	6⅛	AcmeE .32b		3.6	56	47	9⅛	9	9	−⅛
23⅞	19	AdaEx 3.42e		16.		128	22	21¾	21¾	+⅛
19½	10	AdmM s .24		2.1	9	62	11½	11⅜	11⅜	−⅛
28⅞	12⅛	AdvSys .62i		2.3	18	160	27	26¾	27	+½
24½	12⅞	AMD				8398	22½	21⅛	22⅜	+1⅜
56⅜	47	AMD pf	3	5.6		244	53⅞	52½	53½	+1½
11⅞	5¼	Adobe				91	9⅜	9⅛	9¼	
20½	14¾	Adob pf 1.84		9.7		21	19⅛	19	19	+⅛
21⅞	17	Adob pf 2.40		12.		4	20⅝	20⅝	20⅝	−⅛
15	10⅝	Advest .12a		1.1	9	443	11⅛	11	11⅛	
68¼	53	AetnLf 2.76		4.6	8	3963	60⅝	59¾	60⅛	+⅜
99	87¼	AetL pfC4.98e		5.2		250	96	95	96	
83½	28⅜	AfilPb s .32		.5	22	911	70	68½	69⅞	+4⅝
26⅞	18⅝	Ahmans .88		4.3	7	6684	20¾	20¼	20⅝	+⅛
5⅜	2⅞	Aileen				288	3⅛	3	3	−⅛
53⅞	32⅝	AirPrd	1	2.1	21	1374	48	46½	47½	−¼
36	18¾	AirbFrt .60		2.3	11	111	26⅜	25⅞	26⅛	+½
15	7⅝	Airgas n			22	1706	13⅞	13½	13½	+⅛
20⅜	16¼	Airlse n2.11e		12.		64	17⅞	17⅝	17⅞	+⅛
15-32	¼	AlMoan			19	100	⅜	⅜	⅜	−1-32
28	25⅜	AlaP pf1.84e		6.9		244	26⅝	26½	26⅝	+⅛
10¾	8½	AlaP dpf.87		10.		107	8⅝	8½	8⅝	
106½	91	AlaP pf 9		10.		z6830	91⅛	d90	90	−1½
108	94	AlaP pf 9.44		10.		z1780	95	d92½	92½	−1½
98½	80	AlaP pf 8.28		10.		z730	81	80	80⅝	−⅜
27⅞	17¼	AlskAir .16		.8	13	722	20⅜	20	20⅛	−⅛
28¼	14½	Alberto .24		1.0	21	175	24¾	23¾	24½	−⅛
24	13½	AlbCul .24		1.2	17	63	21	20½	20½	−¼
65¼	41½	Albtsns .96		1.5	20	524	u66	64⅞	65	
37¼	18⅝	Alcan s .60		1.7	21	7096	35¾	35¼	35⅜	+⅜
30	18⅞	AlcoS s			17	3373	28¼	28	28	−½
38	22⅜	AlexAlx	1	4.0	22	1246	25½	24⅜	24¾	−¾
50½	38⅛	Alexdr			71	1385	46¼	45¼	46¼	+¼
92½	48½	AllegCp				45	87¼	87	87	
24¾	11⅜	Algint				147	15½	15⅛	15⅜	+⅛
34	28	AlgLudn .10e		.4		109	28¼	27⅜	28⅛	+⅛
[illegible]										



Continued on Page 33

NYSE COMPOSITE CLOSING PRICES

Continued from Page 32

X Y Z

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
65	51 1/4	Xerox	3	3.8	18	4585	80 3/4	78 7/8	79 3/8	+1/8
58 3/4	53 3/8	Xerox pf5.45		10.		19	54	53 5/8	54	
31 1/2	21 5/8	XTRA	.64	2.2	23	58	29 1/4	28 7/8	29 1/8	+1/4
27 5/8	25 5/8	XTRA pf1.94		7.2		340	26 7/8	26 3/4	26 7/8	−1/8
32 1/2	15	Yorkin			15	90	32 1/8	31 7/8	32 1/8	+1/8
7 1/4	2 1/4	Zapata				149	5 3/8	5 1/8	5 1/4	
32 7/8	20 3/4	Zayre	.40	1.4	10	3741	29	27 3/4	28 1/8	−1/2
14 3/4	9 3/4	Zemex	.40	3.0	6	1	13 1/2	13 1/2	13 1/2	
33 3/8	16 7/8	ZenithE			112	1483	28 3/8	27 3/4	28	+1/4
13 1/2	6 3/4	ZenLab				508	7 5/8	7 3/8	7 3/8	+1/8
25 1/2	18 3/4	ZenNtl	.80	3.7	13	186	21 5/8	21 3/8	21 3/8	−1/8
20 3/8	12 3/8	Zero	.36	1.8	20	158	19 5/8	19	19 1/2	+3/8
30 3/4	17 1/2	Zurnin s	.68	2.6	18	201	26 3/4	26 1/4	26 1/2	
10 3/4	8 3/4	Zweig	.65e	6.3		1403	10 3/8	10 1/4	10 1/4	−1/8

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E-price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls – sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-divident or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE CLOSING PRICES

OVER-THE-COUNTER *Nasdaq national market, closing prices*

Continued on Page 31

FINANCIAL TIMES

WORLD STOCK MARKETS

AMERICA

Optimism rises as Dow sustains upward trend

WALL STREET

HOPES were being raised yesterday that the month-long downward reaction in Wall Street stocks had been decisively ended by Tuesday's record 75-point resurgence in the Dow Jones industrial average, as leading shares added to gains in vigorous trading, *writes Gordon Cramb in New York.*

The Dow closed 17.62 up at 2,585.67. Across the big board, advances totalled 995 against 591 declines in volume of 220.3m units against 209.5m. This took the NYSE composite index up 1.05 to 179.53.

Data showing inflation in the US at a 5.8 per cent annual rate last month found less good a reception in the credit markets, which were unable to maintain progress.

In the stock market another 3m shares in Newmont Mining changed hands after the previous day's buying blitz by Consolidated Gold Fields of the UK. The price retreated $2¼ to $92¾ as remaining holders assessed the possible outcome of legal suits being pressed by the Ivanhoe group of Mr Boone Pickens.

Newmont Gold, which has a 10 per cent minority of its shares in public hands, firmed $⅛ to $42⅞. Through stepped-up production rates it is to be the source of much of the increased earnings promised by its parent.

Among the steelmakers LTV shed $½ to $3½ after federal authorities forced it to resume charge of its $2bn pensions deficit. Inland Steel jumped $1¼ to $33⅛ but Bethlehem Steel dipped $⅛ to $18⅝ after Tuesday's $⅝ fall, bringing it further down from a $19¾ year's high amid the weight of a large share issue in the market.

Bethlehem has been as low as $4⅞ during more troubled times in the past year – the company alluded to these this month in its prospectus for the issue when it spoke of circumstances bringing it near to seeking Chapter 11 protection like LTV.

Santa Fe Southern Pacific gained $2¼ to $59 on its plans to launch a buyback of 38 per cent of its equity as well as spin off divisions. Burlington Northern, another railway operator and energy company, advanced $4⅛ to $76⅝.

The chemicals, pharmaceuticals and household products area provide a few features, among the best in price terms being Monsanto which moved up $4¼ to $93¼. Upjohn at $44⅞ rallied $2⅛ after a three-day setback totalling $6⅞ was triggered by a dull European response to its Rogaine baldness treatment.

Lamaur, thwarting Alberto-Culver, another hair care group, agreed to a $28.50 a share cash bid from Dow Chemical, and the shares responded $2¼ upward to $28⅛. Alberto shaded down $⅛ to $24½ and the far larger Dow Chemical firmed $⅝ ato $101½.

ICN Pharmaceuticals at $12 lost $⅝ of its $1 gain the previous session on its decision to invest funds in Hoffman-La Roche of Switzerland where it has taken 6 per cent of the voting capital.

IBM again turned lower, off $1⅛ to $154½. Control Data picked up $1 to $36⅞ after selling back to Commercial Credit 18.3 per cent of the finance company's equity at $33, allowing that stock a $⅜ rise to $33⅞.

In the publishing sector which has produced several putative takeover candidates recently, Affiliated Publications leapt $4⅞ to $69⅞. McGraw Hill, a focus of speculation in the past month, put on $⅛ to $79⅛ after touching $80.

Credit markets received further official assistance in the form of overnight repurchases for the Fed's system account. This was aimed at easing interbank strains which were pushing the federal funds rate to touch 8 per cent.

While Treasury bill yields firmed slightly to 6.70 per cent for the three-month maturities, up 2 basis points, coupon issues held steady to weaker. The 8⅞ bond of 2017 was quoted at 93¹⁹⁄₃₂ where it yielded 9.52 per cent.

CANADA

BUOYED by gains in golds, mines, industrials and mining issues, Toronto share prices moved ahead over a broad range.

Gold issues were led upwards by Placer Dome, which added C$⅛ to C$27⅛, with Lac Minerals up by C$⅜ to C$16⅞ and Echo Bay rising C$⅞ to C$38⅞.

Leading miners included Noranda, up C$⅛ to C$34½, and Inco, which firmed C$⅜ to C$29⅜.

Montreal firmed and Vancouver was marginally higher.

SOUTH AFRICA

WITH THE hovering bullion price offering little direction, Johannesburg gold shares closed narrowly mixed in dull trading.

Among the rising golds, Kinross added 50 cents to R34 and Harties also gained 50 cents to R82. Buffels climbed 50 cents to R73. Vaal Reefs, however, lost R1 to R449 and Driefontein shed 75 cents to R88. Freegold was 50 cents easier at R54.75.

Mining financials were also mixed, with Anglo American gaining 75 cents to R89.25.

Platinums fell back slightly, Rustenburg by 25 cents to R58.50. However, diamond issue De Beers added 90 cents to close at R53 after concluding a wage agreement on Tuesday with the National Union of Mineworkers.

EUROPE

Transatlantic tonic regenerates blue chips

THE RECORD rise on Wall Street overnight allied to the stronger dollar reinvigorated the main European markets.

Frankfurt rose confidently with the dollar and shrugged off news that the Government is considering selling off its 16 per cent stake in carmaker VW before the end of the year. The Commerzbank index added 18.6 to 1,982.2.

VW was hurt by the privatisation announcement, however, and dropped DM9.50 to DM385.50. Other carmakers accelerated with the market, Daimler by DM6 to DM1,075, BMW by DM736 and Porsche by DM1 to DM985. Tyremaker Continental put on DM5.40 to DM336 and battery manufacturer Varta DM8 to DM368.

Other blue chip exporters brightened, with Siemens recovering DM9.50 to DM666. Bayer gained DM3.50 to DM380 and BASF rose DM2.20 to DM337.50 among chemicals. Hoechst edged 70pfg higher to DM321.50. Pharmaceutical Schering, though, slid DM7 to DM609.

Banks strengthened, with Deutsche up DM2.70 at DM694.50 and Commerzbank rising DM2 to DM302.50. Bayernhypo picked up DM4.50 to DM517 and said it was to make a rights issue.

Metalgesellschaft led metals higher with a DM6 rise to DM370 and Degussa and Preussag were DM6 and DM2.30 firmer in turn at DM534 and DM197.80.

Retailers were mixed, with Horten adding DM4.50 to DM235 and Kaufhof DM2 up at DM507. News that Asko is to raise its stake in fellow retailer Massa boosted the former DM5 to DM870 and the latter DM3 to DM410.

Zurich advanced on the strong transatlantic signals and news that the Swiss Federal Court had approved a planned capital cut by Alusuisse. Alusuisse stock responded with a SFr5 rise to SFr681, with its registered stock up SFr15 to SFr290.

Bank Baer was another strong performer, jumping SFr3,400 to SFr28,900 in a generally higher sector. Union Bank was up SFr40 to SFr4,930, Crédit Suisse SFr30 to SFr3,420 and Gotthard Bank, which has weathered recent pressure, rose SFr12 to SFr1,000.

Chemicals were also favoured, with Ciba-Geigy and Sandoz notching up SFr60 and SFr100 respectively to SFr4,100 and SFr15,350. Hoffmann-La Roche bearers, though, tumbled SFr9,000 to SFr301,000 following Tuesday's news that ICN Pharmaceuticals of California had bought a 6.3 per cent voting stake in the group.

Insurers lost steam, with Swiss Rè SFr50 off at SFr17,800 and Winterthur down SFr25 at SFr6,600. Zurich lost SFr50 to SFr7,125.

Brussels recovered broadly after a string of poor showings recently as foreign buyers returned to the market. The cash index added 37.46 to 5,140.04.

Réserve, the share of holding group Société Générale de Belgique, found renewed support to rise BFr20 to BFr3,730 as the sector flourished. Sofina climbed BFr300 to BFr14,900, while Tractebel moved on BFr160 to BFr7,760 on news of improved first-half profits and a capital increase.

Solvay surged a further BFr400 to a year's high of BFr15,700 as the market anticipated good interim results, which the company confirmed will be announced on Monday. Other chemicals moved in its slipstream. UCB rose BFr250 to BFr10,850 and Gavaert BFr100 to BFr8,100.

Petrofina, which recently has followed the volatility of the oil market, advanced BFr325 to BFr13,350.

Amsterdam picked up across the board on bargain hunting following several depressed sessions.

Internationals made ground on the stronger dollar. Akzo closed up Fl 3.90 at Fl 178.40, while Royal Dutch bounded Fl 9.40 ahead to Fl 263.60. Unilever added Fl 4.80 to Fl 140.30.

In the broader market, publisher Wolters Kluwer fell Fl 1.30 to Fl 133.20 after news that it lost Fl 4.5m when it sold 1m shares in a private placement deal on Tuesday. The shares were bought at Fl 137.50 during the recent takeover battle with fellow publisher Elsevier.

Elsewhere, insurers Amev and Natned added Fl 2.20 and Fl 2.90 in turn to Fl 60 and Fl 73.40. Stad Rotterdam, however, slipped 20 cents to Fl 122.80.

Among banks, NMB was Fl 6 higher at Fl 164.50, Amro Fl 2.20 better at Fl 83.90 and ABN up by Fl 1.10 at Fl 47.80.

Milan moved sharply higher but off the day's highs as Fiat continued to lead the market's rally. The MIB index added 13 to 872.

Fiat jumped L455 to L11,155, or 4.3 per cent, as feverish foreign buying followed reports of strong buy recommendations for the stock from overseas banks. IFI, the Agnelli family holding company, also jumped L1,020 to L24,850.

Burgo was another star performer with a L650 rise to L13,010 on the strength of Tuesday's news that profits for the first six months had more than doubled over the corresponding period last year.

Insurers also continued their good run, with Generali up L1,450 to L106,425. RAS added L1,480.

Chemical group Montedison rose L27 to L2,269 amid reports that it was considering a large capital raising exercise in Italy and overseas. Office equipment maker Olivetti added L140 to L11,690 and tyremaker Pirelli gained L55 to L4,485.

Paris advanced on a broad front, with exporters profiting from the higher dollar.

Peugeot rose FFr14 to FFr1,638 in a strong car-related sector, with Valeo up FFr15 at FFr696 and Michelin edging up FFr1.50 to FFr33.

Electronics also bloomed. Legrand posted a FFr64 rise to FFr3,334 and Radiotechnique climbed FFr28 to FFr1,788.

Losses were for the most part narrow, although Prouvost fell a further FFr49 to FFr490 as speculative demand for the share slumped.

Oslo was pulled down by profit-taking. The all-share index closed down 2.90 at 435.70.

Hafslund was NKr19 off at NKr630.50 and Kvaerner fell NKr9 to NKr329.50 on news that the Bank and Securities inspectorate has launched investigations into alleged insider trading by senior directors at the two companies.

Madrid fell but steadied from Tuesday's heavy losses. The general index lost 0.92 to 309.94 amid strong profit-taking in speculative issues.

Banks, constructions and utilities all lost ground. Engineerings gained.

Stockholm rose but closed off the day's highs in heavy trade.

London

STRONG DEMAND for technology and energy issues helped equities mark up their 10th successive rising session amid buoyancy following the record overnight rise on Wall Street.

The FT-SE 100 index closed up 16.2 at 2,352.4 – making a two-week rise of more than 103 points – while the narrower FT Ordinary index climbed 11.4 to close at 1,843.2.

Government bonds fell on the day but closed off their lows on book-squaring and moderate retail interest. Longer-maturity stock closed about a ½ point lower. Details Page 30

Viennese clothier dances on to bourse

By Judy Dempsey in Vienna

THE NORMALLY sedate 19th century *Festsalon* (function hall) in Vienna's stock exchange was transformed. Instead of a polite gathering of officials rubbing shoulders beneath the Corinthian columns of this wonderfully ornate room, young men and women danced on a stage to the sounds of loud disco music with lights flashing across the wall.

Outsiders must have been puzzled by the unaccustomed stirrings in the otherwise conservative stock exchange. But Tuesday was special. Holtex Seiden, a former imperial textile company founded in 1890, was making its first appearance on the *Börse.*

To the stock markets of Frankfurt, Düsseldorf or London, the shares on offer up to next Monday are minuscule. But this is Austria, where government bonds, savings in the bank or under the pillow are far more important than risk-taking on the securities markets.

Holtex is selling off 30 per cent of its holdings which are worth about Sch12m ($938,000). Some 120,000 shares at a nominal value of Sch100 are now available to the public. "Yes the amount is modest," said Dr Franz Fetzer, the avuncular president of the company. "But we have to start somewhere. We have to gradually expand."

The company goes public in Austria before thinking about other stock markets. Although over 90 per cent of its products, mostly clothing and ski wear, are exported, the company wants first to test the securities market at home.

Its record is reasonably attractive. Annual turnover is around Sch350m and last year's profits are up 6 per cent on 1985. It has taken the company several years to make the turnaround. As one of the directors, Mr Peter Podolsky, said: "We lost 90 per cent of our factories after the Second World War. Most of our plants were based in Czechoslovakia. They were all nationalised after 1945."

By the 1970s, after investing in new machinery and building up its export markets, the company was in the black.

The key question is whether ordinary Austrians will buy the shares, in which trading starts next Monday. "We know that only 1.5 per cent of the population buy shares compared to about 6 per cent in West Germany," said Mr Podolsky. "But we are confident".

Judging from the packed *Festsalon*, interest seems high. So part of the Sch1bn or so worth of savings that Austrians have stored away might finally be dragged out from under the mattresses.

ASIA

Japanese investment overseas likely to grow

FOREIGN AND LOCAL securities houses expect Japanese purchases of foreign shares to start growing again as the yen-dollar exchange rate becomes more stable, *writes Shigeo Nishiwaki of Jiji Press.*

The Japanese have been net buyers of foreign equities since December 1985, according to a Ministry of Finance survey.

Japanese stock markets were closed yesterday for a national holiday.

Enthusiasm for foreign shares developed rapidly in the first seven months of this year and net Japanese purchases amounted to a large Y11.48bn ($80m), exceeding the net purchases of Y10.75bn for the whole of 1986. However, they shrank back to about a third of the previous month's Y1,46bn in August when the dollar weakened against the yen.

Investment trusts and trust banks have been major buyers of foreign shares. Investment trusts' holdings of foreign equities increased sharply from Y2.17bn at the end of 1986 to Y5.21bn at the end of August. US shares accounted for Y4.03bn, or 77 per cent, of the total, British shares for Y320m and West German shares for Y280m.

The predominance of US equities is understandable in the light of New York's trading volume, liquidity and price appreciation, analysts say.

US shares are undervalued when compared to those of Japan, said Mr Minoru Itoh, managing director and Tokyo branch manager of Smith Barney Harris Upham International.

He noted that the total market value of shares listed on the New York Stock Exchange is about the same as that of shares listed on the Tokyo Stock Exchange despite the difference in size between the US and Japanese economies.

Of the investment trusts, Daiwa Investment and Trust Management is relatively positive about incorporating foreign shares into its trust funds. Mr Yukio Hosoi, president, believes it is indispensable that trust funds diversify into foreign shares for the sake of safe fund management.

Nippon Life Insurance, the largest institutional investor in Japan, is obliged to shift the emphasis of investment from Japanese shares to foreign securities, particularly American ones, said Mr Tokutaro Hirose, president of the company.

Many financial institutions and industrial corporations have decided to expand their overseas financial subsidiaries. These subsidiaries numbered 3,196 at the end of 1986 with a total capital of Y22.3bn, according to the Finance Ministry. Their aim is to raise funds abroad on favourable terms, but many of them also hope to improve money management through investment in foreign shares.

Since the purchase of foreign shares by these financial subsidiaries abroad is not included in statistics compiled by the Finance Ministry, it can be safely assumed that net Japanese purchases of foreign equities are greater than statistics indicate.

However, according to Mr Hideo Nakanishi, director and general manager of the securities investment department of Sumitomo Trust and Banking, many institutional investors remain passive about buying foreign shares because of a lack of expertise and experience.

Nomura, along with other large securities firms, takes the view that investment by Japanese institutions in foreign equities is only at the stage of a trial run.

It expects that an era of international investment will arrive in earnest only after net Japanese purchases of foreign shares have persisted at a rate of Y20bn a year for several years to come.

HONG KONG

PERSISTENT rumours about China Light, together with Wall Street's strong performance on Tuesday, pushed Hong Kong share prices to a third straight high in record turnover worth HK$3.41bn.

The Hang Seng index climbed sharply from the start, ending at 3,763.11, up 67.58.

Utilities again had a good session, fuelled by rumours that China Light was attracting interest from China's Citic. It spurted HK$2.55 to HK$30.75.

There was also a strong performance from Hongkong Telephone, which ended HK$1 higher at HK$18.20 after resuming trading. It was suspended on Monday when its UK parent, Cable & Wireless, said it was discussing a reorganisation of the company.

Properties were mostly strong, with Hongkong Land up 20 cents at HK$8.60 and Cheung Kong recovering 40 cents to HK$12.80.

AUSTRALIA

THE DOWNTURN continued into a second day in Sydney as investors took further profits and the results season approached its close. The All Ordinaries index lost 20.8 to 2,271.0 in fairly heavy turnover.

MIM Holdings was very actively traded as Asarco of the US continued its sale of a large stake. The share price fell 6 cents to A$3.44 as 7m shares changed hands.

Another active miner was CRA, off 15 cents at A$11.15 on 1.2m shares.

In the industrial sector, Elders IXL eased 2 cents to A$5.78 in advance of tomorrow's results. Adsteam lost 20 cents to A$11.20, while media stocks saw News Corp off 20 cents at A$23.10 and Fairfax steady at A$8.40.

SINGAPORE

AFTER a firm start in Singapore, a renewed bout of profit-taking left share prices mixed, with the Straits Times industrial index up 0.74 at 1,366.78.

Volume rose slightly to 25m shares but buying interest was mainly confined to small local investors as caution persisted over recent share flotations.

DBS added a further 20 cents to S$16.30 and other banks were mostly firmer, while plantation stocks were given a boost by higher palm oil prices.

Elsewhere, Rothmans Industries shed 13 cents to S$2.67 after reporting lower profits.

Foreigners included in DBS Land share offer

DBS LAND, owned by the Development Bank of Singapore, is to offer 300m shares at S$1.35 ($0.64) each on September 24, and foreigners will be allowed to subscribe, Reuter reports from Singapore.

The offer will be made in two tranches of 150m shares each, the first tranche being offered in Singapore, and the second in Tokyo and London through private placement.

The sale will reduce DBS's stake in DBS Land to 49 per cent from 100 per cent.

Foreign fund managers concerned with the issue said it should receive a good response from Japanese insurance companies and institutions in London and Hong Kong.

Mr Tan Soo Nan, DBS vice-president, said the company was confident that local and foreign markets would absorb the 300m shares, worth about S$405m ($193m).

Recent issues showed the high level of liquidity in the market, he said.

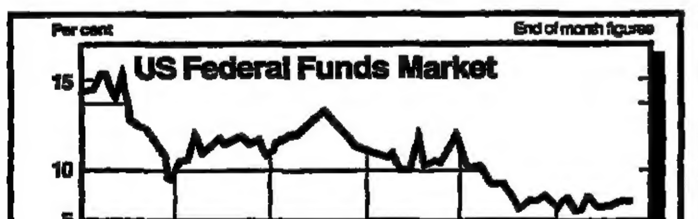
DBS Land expects after-tax profits to rise to S$7.6m in 1987 and S$9.5m in 1988, compared with $6.7m in 1986.

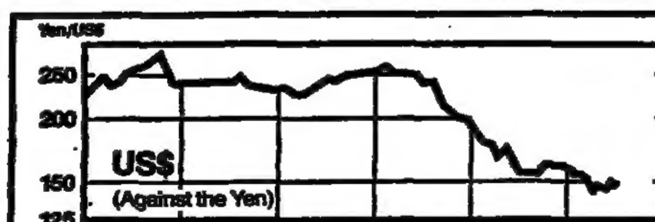
"Expectations of sustained economic growth, a stronger stock market, low financing costs and higher growth rate of tourist arrivals have benefited the local property market," said Mr Patrick Yeoh, DBS president.

DBS Land's revenue comes mainly from renting out its commercial and industrial property. This accounted for 63 per cent of total average earnings between 1982 and 1986.

DBS Land had a paid-up capital of S$586.43m and total assets of S$673m in the first-half of 1987.

KEY MARKET MONITORS





STOCK MARKET INDICES

	Sept 23	Prev	Year ago
NEW YORK			
DJ Industrials	2,585.67	2,568.05	1,797.81
DJ Transport	1,025.16	1,013.83	794.38
DJ Utilities	197.25	198.44	203.23
S&P Comp.	321.19	319.50	235.67
LONDON FT			
Ord	1,843.2	1,831.8	1,282.2
SE 100	2,352.4	2,336.2	1,610.00
A All-share	1,198.58	1,190.52	791.89
A 500	1,312.52	1,303.33	869.67
Gold mines	451.7	447.7	317.9
A Long gilt	9.82	9.78	10.13
World Act. Ind (Sept 18)	134.14	133.18	139.73
TOKYO			
Nikkei	closed	24,866.08	17,708.3
Tokyo SE	closed	2,039.80	1,461.27
AUSTRALIA			
All Ord.	2,271.0	2,291.8	1,234.1
Metals & Mins.	1,439.2	1,451.3	640.0
AUSTRIA			
Credit Aktien	228.05	232.19	238.53
BELGIAN SE			
SE	5,140.50	5,103.00	3,884.29
CANADA			
Toronto			
Met.& Mins.	3,349.0	3,312.0	2,229.26
Composite	3,919.5	3,881.9	3,006.1
Montreal			
Portfolio	1,952.91	1,939.30	1,514.12
DENMARK SE			
SE	n/a	208.88	198.70
FRANCE			
CAC Gen	428.60	422.10	388.6
Ind. Tendance	111.30	109.70	91.26
WEST GERMANY			
FAZ-Aktien	643.93	638.39	673.37
Commerzbank	1,982.20	1,963.60	2,019.4
HONG KONG Hang Seng	3,763.11	3,695.53	1,992.60
ITALY Banca Comm.	629.41	620.02	765.68
NETHERLANDS ANP CBS			
Gen	n/a	n/a	286.4
Ind	n/a	n/a	265.1
NORWAY Oslo SE	583.26	587.90	372.79
SINGAPORE Straits Times	1,366.70	1,366.00	819.82
SOUTH AFRICA JSE			
Golds	—	2,266.00	1,966.0
Industrials	—	2,207.00	1,380.0
SPAIN Madrid SE	309.94	310.86	191.37
SWEDEN J & P	3,118.00	3,079.70	2,445.19
SWITZERLAND Swiss Bank Ind	710.40	706.00	546.6

COMMODITIES (London)

	Sept 23	Prev
Silver (spot fixing)	461.30p	465.25p
Copper (cash)	£1,129.50	£1,126.50
Coffee (Sept)	£1,232.50	£1,224.00
Oil (Brent Blend)	$18.825	$18.49

GOLD ($/oz)

	Sept 23	Prev
London	$462.25	$461.25
Zürich	$462.25	$461.75
Paris (fixing)	$459.04	$461.65
Luxembourg	$460.50	$462.30
New York (Dec)	$468.70	$468.90

CURRENCIES (London)

	US DOLLAR Sept 23	US DOLLAR Previous	STERLING Sept 23	STERLING Previous
$	–	–	1.6430	1.6420
DM	1.8210	1.8205	2.9925	2.9900
Yen	143.85	144.15	236.50	236.75
FFr	6.0750	6.0650	9.9800	9.9575
SFr	1.5120	1.5075	2.4850	2.4750
Fl	2.0520	2.0480	3.3725	3.3625
Lira	1,315	1,316	2,160.50	2,159
BFr	37.80	37.80	62.10	62.05
C$	1.3175	1.3175	2.1620	2.1645

INTEREST RATES

	Sept 23	Prev
Euro-currencies (3-month offered rate)		
£	10	9¹³⁄₁₆
SFr	3⅝	3¹¹⁄₁₆
DM	4	4
FFr	7¹³⁄₁₆	7¹⁵⁄₁₆
FT London Interbank fixing (offered rate)		
3-month US$	7⅞	7¹³⁄₁₆
6-month US$	8	8⅛
US Fed Funds	7⅞*	7½
US 3-month CDs	7.25*	7.30
US 3-month T-bills	6.49*	6.495

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
US Treasury Bonds (CBT) 8% 32nds of 100%				
(Dec)	83-16	83-27	82-29	83-18
US Treasury Bills (IMM) $1m points of 100%				
(Sept)	93.30	93.49	93.30	93.40
Certificates of Deposit (IMM) $1m points of 100%				
(Sept)	n/a	n/a	n/a	93.98
LONDON				
Three-month Eurodollar $1m points of 100%				
(Dec)	91.76	91.88	91.69	91.72
20-year Notional Gilt £50,000 32nds of 100%				
(Dec)	116-00	116-10	116-08	116-18

US BONDS

Treasury

	September 23 Price	Yield	Prev Price	Prev Yield
7⅛ 1990	99⁷⁄₃₂	8.28	99⁹⁄₃₂	8.27
7 1994	94⁹⁄₃₂	9.18	93³¹⁄₃₂	9.23
8⅞ 1997	95⁵⁄₃₂	9.39	94²⁹⁄₃₂	9.43
8⅞ 2017	93¹⁹⁄₃₂	9.54	93	9.58

Source: Harris Trust Savings Bank

Treasury Index

Maturity (years)	September 23 Return Index	Day's change	Yield	Day's change
1-30	163.17	+0.23	6.93	-0.03
1-10	154.83	+0.12	6.88	-0.03
1- 3	144.03	+0.07	6.37	-0.03
3- 5	157.57	+0.17	6.71	-0.03
15-30	193.58	+0.59	7.78	-0.03

Source: Merrill Lynch

Corporate

	September 23 Price	Yield	Prev Price	Prev Yield
AT&T 3⅞ July 1990	91.75	7.23	91.75	7.22
SCBT South Central 10⅞ Jan 1993	101.25	10.57	101.25	10.56
Phibro Sal 8 April 1996	87.23	10.28	87.375	10.25
TRW 8⅞ March 1996	92.29	10.13	92.44	10.10
Arco 9⅞ March 2016	94.10	10.53	94.38	10.50
General Motors 8⅝ April 2016	78.37	10.53	78.60	10.50
Citicorp 9⅝ March 2016	86.37	10.94	85.92	11.00

Source: Salomon Brothers

* Latest available figures